

**TOWNSHIP OF HOLMDEL
COUNTY OF MONMOUTH, NEW JERSEY**

**AUDIT REPORT FOR THE
YEAR ENDED DECEMBER 31, 2015**

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COUNTY OF MONMOUTH, NEW JERSEY
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COUNTY OF MONMOUTH, NEW JERSEY
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**TOWNSHIP OF HOLMDEL
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITORS' REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**



HOLMAN | FRENIA
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Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Holmdel
County of Monmouth
Holmdel, New Jersey 07733

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Holmdel, County of Monmouth, State of New Jersey as of December 31, 2015 and 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2015.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statements, the Township of Holmdel prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Holmdel, County of Monmouth, State of New Jersey, as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements as of and for the years ended December 31, 2015 and 2014. The LOSAP Trust Fund financial activities are included in the Township’s Trust Fund, and represent 7.93% and 7.38% of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2015 and 2014.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Holmdel, County of Monmouth, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 19 to the financial statements, during the fiscal year ended December 31, 2015 the Township of Holmdel adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion on regulatory basis of accounting is not modified with respect to this matter.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2016 on our consideration of the Township of Holmdel's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Holmdel's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "R. Allison", written over a horizontal line.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
June 7, 2016



HOLMAN | FRENIA
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INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members
of the Township Council
Township of Holmdel
County of Monmouth
Holmdel, New Jersey 07733

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Township of Holmdel (herein referred to as “the Municipality”), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Municipality’s basic financial statements, and have issued our report thereon dated . Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1 .

Our report on the financial statements - regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund. As discussed in Note 1 the LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township of Holmdel’s financial statements as of and for the year ended December 31, 2015. With the exception of the LOSAP Trust Fund our opinion on the financial statements- regulatory basis was unmodified.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or

detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Municipality's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did identify one instance of a deficiencies in internal control that we consider to be material weaknesses described in the General Comments Section as Finding No. 2015-001. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

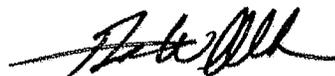
As part of obtaining reasonable assurance about whether the Municipality's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the General Comments Section as Finding No 2015-002.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Municipality's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
June 7, 2016

BASIC FINANCIAL STATEMENTS

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TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A

STATEMENT OF ASSETS, LIABILITIES, RESERVES

Sheet 1 of 2

AND FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2015 AND 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 7,614,440.54	\$ 8,430,466.78
Collector	A-5	1,198,433.57	806,205.62
Cash - Change Fund		1,400.00	1,400.00
		<u>8,814,274.11</u>	<u>9,238,072.40</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	615,932.81	897,171.36
Tax Title Liens Receivable	A-8	90,496.02	80,485.04
Property Acquired for Taxes		527,600.00	527,600.00
Delinquent Penalties Receivable		11,533.91	46,772.10
Revenue Accounts Receivable	A-10	33,694.70	45,810.52
Interfunds:			
Assessment Trust Fund	A-15	6,179.77	5,728.11
Sewer Utility Operating Fund	A-15	542,447.59	542,447.59
Sewer Utility Assessment Fund	A-15	1,400.00	1,400.00
		<u>1,829,284.80</u>	<u>2,147,414.72</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)	A-9	188,630.14	1,646,522.00
		<u>188,630.14</u>	<u>1,646,522.00</u>
		<u>10,832,189.05</u>	<u>13,032,009.12</u>
<u>Grant Fund</u>			
Interfund - Current Fund	A-16	203,785.30	541,413.23
Grants Receivable	A-17	59,900.58	57,647.00
		<u>263,685.88</u>	<u>599,060.23</u>
		<u>\$ 11,095,874.93</u>	<u>\$ 13,631,069.35</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A

STATEMENT OF ASSETS, LIABILITIES, RESERVES

Sheet 2 of 2

AND FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2015 AND 2014

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Appropriation Reserves	A-3,11	\$ 551,151.75	\$ 564,607.62
Reserve for Encumbrances	A-3,11	344,599.88	287,138.67
Emergency Note Payable	A-4	817,509.00	1,646,522.00
Prepaid Taxes	A-5,7	411,079.71	297,025.04
Due to State of New Jersey (PL 1971, Ch. 20)	A-6	2,692.94	2,442.94
Accounts Payable		1,921.09	5,181.16
Local School District Taxes Payable	A-13	1,574,272.50	960,711.50
Prepaid State Aid	A-4,10	5,076.00	5,076.00
Reserve for Library Aid		698.61	698.61
Reserve for FEMA	A-10		829,013.95
Reserve for Sale of Municipal Assets	A	500,000.00	500,000.00
Spending Reserves	A-14	544,189.40	1,159,703.27
Tax Overpayments		4,586.57	187,356.59
Due to State for Fees Collected		7,459.00	6,614.00
Due County for Added and Omitted Taxes	A-12	78,878.56	205,321.47
Interfunds:			
Animal Control Trust Fund	A-15	32,260.07	26,120.71
Other Trust Fund	A-15	1,036,614.10	1,109,007.60
General Capital Fund	A-15	98,749.85	21,436.07
Grant Fund	A-16	203,785.30	541,413.23
		<u>6,215,524.33</u>	<u>8,355,390.43</u>
Reserve for Receivables and Other Assets		1,829,284.80	2,147,414.72
Fund Balance	A-1	2,787,379.92	2,529,203.97
		<u>10,832,189.05</u>	<u>13,032,009.12</u>
<u>Grant Fund</u>			
Appropriated Reserves	A-18	214,303.63	594,373.74
Reserve for Encumbrances	A-18	49,382.25	4,686.49
		<u>263,685.88</u>	<u>599,060.23</u>
		<u>\$ 11,095,874.93</u>	<u>\$ 13,631,069.35</u>

There were deferred school taxes on December 31, 2015 and 2014 of \$25,147,112.98 (Schedule A-13).

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-1

COMPARATIVE STATEMENT OF OPERATIONS AND

Sheet 1 of 2

CHANGE IN FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2015 AND 2014

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 1,900,000.00	\$ 1,497,227.50
Miscellaneous Revenue Anticipated	A-2	5,152,769.00	5,702,559.26
Receipts from Delinquent Taxes	A-2	825,554.54	594,297.02
Receipts from Current Taxes	A-2	81,472,967.01	79,858,503.57
Non-Budget Revenues	A-2	378,471.74	1,035,384.63
Other Credits to Income:			
Accounts Payable Cancelled	A, A-4	417.90	270.49
Cancel Other Trust Fund Balances	A-4	162.61	
Unexpended Balance of Appropriation Reserves	A-11	475,847.37	532,650.76
Grant Appropriated Reserves Cancelled	A-16	9,378.13	6,739.50
Tax Overpayments Cancelled		1,713.91	4,529.80
Interfunds Liquidated			35,791.93
Total Income		<u>90,217,282.21</u>	<u>89,267,954.46</u>
<u>Expenditures</u>			
Budget Appropriations within Caps:			
Operations:			
Salaries and Wages	A-3	8,526,774.00	8,250,855.00
Other Expenses	A-3	6,308,278.00	6,152,580.00
Deferred Charges and Statutory Expenditures	A-3	2,123,913.00	2,039,904.00
Budget Appropriations Excluded from Caps:			
Operations:			
Other Expenses	A-3	283,055.65	650,288.48
Capital Improvements	A-3	100,000.00	100,000.00
Municipal Debt Service	A-3	2,292,173.93	2,385,026.46
Deferred Charges	A-3	1,003,008.25	805,546.00
Subtotal		<u>20,637,202.83</u>	<u>20,384,199.94</u>
Prior Year Senior Citizen Deduction Disallowed			
County Taxes	A-12	12,873,698.58	12,881,693.21
Local District School Taxes	A-13	53,442,774.00	52,215,652.00
Local Open Space Taxes	A-15	1,023,793.23	957,785.22
Grant Receivables Cancelled	A-16	8,337.15	5,992.00
Prior Year Tax Appeals Granted		72,848.81	50,269.87
Reserve for Sale of Municipal Assets	A		500,000.00
Interfund Loans		451.66	
Total Expenditures		<u>88,059,106.26</u>	<u>86,995,592.24</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-1

COMPARATIVE STATEMENT OF OPERATIONS AND

Sheet 2 of 2

CHANGE IN FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2015 AND 2014

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Excess/(Deficit) in Revenue		\$ 2,158,175.95	\$ 2,272,362.22
Fund Balance January 1	A	<u>2,529,203.97</u>	<u>1,754,069.25</u>
		4,687,379.92	4,026,431.47
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>1,900,000.00</u>	<u>1,497,227.50</u>
Fund Balance December 31	A	<u>\$ 2,787,379.92</u>	<u>\$ 2,529,203.97</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Exhibit A-2

Sheet 1 of 3

	Ref.	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
	A-1	\$ 1,900,000.00	\$	\$ 1,900,000.00	\$
Fund Balance Anticipated					
<u>Miscellaneous Revenues</u>					
Licenses					
Alcoholic Beverages	A-10	12,894.00		14,694.00	1,800.00
Fines and Costs					
Municipal Court	A-10	850,000.00		871,875.10	21,875.10
Interest and Costs on Taxes	A-5	150,000.00		216,907.02	66,907.02
Uniform Construction Code Fees	A-10	500,000.00		577,888.00	77,888.00
State Aid:					
Consolidated Municipal Property Tax Relief	A-10	3,202.00		3,202.00	
Energy Receipts Taxes	A-10	1,982,155.00		1,982,155.00	
Watershed Moratorium Offset Aid	A-10	5,076.00		5,076.00	
Special Items of Revenue:					
Federal and State Revenues Off-Set with Appropriations:					
Alcohol Education and Rehabilitation	A-16		471.47	471.47	
Bullet Proof Vest Program	A-16		4,665.39	4,665.39	
Body Armor Grant	A-16	5,728.13	3,867.77	9,595.90	
Clean Communities Program	A-16		44,153.77	44,153.77	
Click It or Ticket	A-16		4,000.00	4,000.00	
DWI - Saturation Point	A-16		10,000.00	10,000.00	
Drive Sober or Get Pulled Over	A-16		5,000.00	5,000.00	
Library Design Grant	A-16		25,000.00	25,000.00	
Municipal Alliance Grant	A-16	1,680.00	43,760.00	45,440.00	
Recycling Tonnage Grant	A-16	27,901.12		27,901.12	

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 2 of 3

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Special N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Special Items of Revenue (Continued):					
Other Special Items:					
Cable Television Franchise Fees	A-10	\$ 225,902.00	\$	\$ 225,902.14	\$.14
FEMA Reserve	A-10	829,013.95		829,013.95	
Fire Registrations	A-10	75,000.00		85,189.00	10,189.00
Fund Balance - Assessment Trust Fund	A-10	451.66		451.66	
Fund Balance - General Capital Fund	A-10	1,250.15		1,250.15	
Rental Revenue	A-10	190,000.00		137,758.92	(52,241.08)
Uniform Fire Safety Act	A-10	30,000.00		25,178.41	(4,821.59)
Total Miscellaneous Revenues	A-1	<u>4,890,254.01</u>	<u>140,918.40</u>	<u>5,152,769.00</u>	<u>121,596.59</u>
Receipts from Delinquent Taxes	A-1,7	740,000.00		825,554.54	85,554.54
Subtotal General Revenues		<u>7,530,254.01</u>	<u>140,918.40</u>	<u>7,878,323.54</u>	<u>207,151.13</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	14,354,244.54		15,516,127.84	1,161,883.30
Total General Revenues		<u>21,884,498.55</u>	<u>140,918.40</u>	<u>23,394,451.38</u>	<u>1,369,034.43</u>
Non-Budget Revenues	A-1,2			378,471.74	378,471.74
		<u>\$ 21,884,498.55</u>	<u>\$ 140,918.40</u>	<u>\$ 23,772,923.12</u>	<u>\$ 1,747,506.17</u>

Ref. A-3

A-3

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 3 of 3

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
<u>Allocation of Current Tax Collections</u>		
Revenue from Collections	A-1,7	\$ 81,472,967.01
Allocated to Local School, County Taxes and Local Open Space	A-7	<u>67,340,265.81</u>
Balance for Support of Municipal Budget Appropriations		14,132,701.20
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,383,426.64</u>
 Amount for Support of Municipal Budget Appropriations	 A-2	 <u>\$ 15,516,127.84</u>
<u>Analysis of Non-Budget Revenue</u>		
Miscellaneous Revenue not Anticipated:		
Bingo and Raffle Licenses		\$ 1,540.00
Board of Health		20,962.05
Bounced Check Fees		589.00
Certified Lists		590.00
Copies		3,028.05
Impound and Towing Fees		23,386.00
In Lieu of Taxes		15,000.00
Insurance Reimbursements		18,585.14
Interest on Deposits		906.02
LOSAP Termination		4,968.40
Marriage Performance Fees		1,235.00
Other		21,337.32
Other Refunds		22,124.56
Planning Board		31,185.00
Road Opening		84,605.63
Sale of Assets		1,583.82
Savings Credits		5,844.08
Septic Application		10,350.00
Solicitors License		900.00
Special Duty Administrative Fee		30,125.50
Tax Sale Advertisement Costs		1,308.89
Taxi License		1,200.00
Towing License		602.00
TRC Fees		3,200.00
Zoning Board		23,337.28
Zoning Determination		<u>49,978.00</u>
	A-2,4	<u>\$ 378,471.74</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-3

Sheet 1 of 7

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS WITHIN CAPS					
<u>General Government</u>					
Administrative and Executive					
Salaries and Wages:					
Governing Body	\$ 22,195.00	\$ 22,195.00	\$ 22,191.77	\$ 3.23	\$
Administrator's Office	200,420.00	200,420.00	186,075.82	14,344.18	
Municipal Clerk's Office	194,675.00	195,175.00	194,471.47	703.53	
Other Expenses	162,870.00	162,370.00	137,987.24	24,382.76	
Elections					
Other Expenses	8,000.00	8,000.00	5,655.22	2,344.78	
Financial Administration					
Salaries and Wages	203,378.00	208,378.00	208,053.79	324.21	
Other Expenses	39,300.00	48,300.00	44,709.58	3,590.42	
Audit Services					
Other Expenses	25,000.00	25,000.00	25,000.00		
Collection of Taxes					
Salaries and Wages	95,665.00	95,665.00	94,687.93	977.07	
Other Expenses	5,630.00	5,630.00	5,111.50	518.50	
Assessment of Taxes					
Salaries and Wages	137,586.00	142,586.00	142,276.18	309.82	
Other Expenses:					
Miscellaneous	38,950.00	38,950.00	33,741.74	5,208.26	
Legal Services and Costs					
Other Expenses	210,000.00	202,000.00	145,027.72	56,972.28	
Municipal Prosecutor					
Other Expenses	40,000.00	40,000.00	40,000.00		
Engineering Services and Costs					
Other Expenses	83,000.00	83,000.00	76,005.04	6,994.96	
Public Buildings and Grounds					
Other Expenses	115,825.00	115,825.00	104,086.53	11,738.47	

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)					\$
Planning Board					
Salaries and Wages	\$ 109,587.00	\$ 109,597.00	\$ 109,587.66	\$ 9.34	
Other Expenses	24,330.00	19,320.00	11,465.00	7,855.00	
Zoning Board of Adjustment					
Other Expenses	11,180.00	6,180.00	2,200.65	3,979.35	
Environmental Commission					
Other Expenses	1,610.00	1,610.00	678.04	931.96	
Township Planner					
Other Expenses	10,000.00	10,000.00	8,432.50	1,567.50	
Insurance					
Group Insurance Plan for Employees	1,956,012.00	1,956,012.00	1,950,824.70	5,187.30	
Other Insurance Premiums	345,000.00	353,000.00	352,809.15	190.85	
Public Safety					
Aid to Volunteer Fire Companies					
Holmdel Fire Company No. 1	47,000.00	47,000.00	38,523.15	8,476.85	
Police					
Salaries and Wages	5,241,239.00	5,276,239.00	5,247,787.83	28,451.17	
Other Expenses	255,410.00	255,410.00	242,011.16	13,398.84	
Computer System Administrator					
Capital Lease Obligations	56,900.00	56,900.00	56,900.00		
Principal	65,000.00	65,000.00	65,000.00		
Interest	5,480.00	5,480.00	5,480.00		
First Aid Organization - Contribution	44,000.00	44,000.00	44,000.00		
Emergency Management Services					
Other Expenses	9,750.00	9,750.00	9,721.90	28.10	
Fire Hydrant Service	781,000.00	781,000.00	778,852.17	2,147.83	
Public Defender					
Other Expenses	2,000.00	2,000.00	1,500.00	500.00	

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 3 of 7

	<u>Appropriated</u>		<u>Budget After Modification</u>	<u>Expended</u>		<u>Unexpended Balance Cancelled</u>		
	<u>Budget</u>			<u>Paid or Charged</u>	<u>Reserved</u>			
Municipal Court	\$	290,734.00	\$	300,734.00	\$	292,045.08	\$	8,688.92
Salaries and Wages		24,400.00		14,400.00		12,242.94		2,157.06
Other Expenses								
<u>Public Works</u>								
Road Repairs and Maintenance		934,596.00		934,596.00		902,280.97		32,315.03
Salaries and Wages		207,085.00		207,085.00		180,107.06		26,977.94
Other Expenses								
Recycling		5,000.00		5,000.00		2,496.00		2,504.00
Salaries and Wages		78,653.00		78,653.00		72,415.01		6,237.99
Other Expenses								
Garbage and Trash Removal		64,860.00		64,860.00		63,407.59		1,452.41
Other Expenses								
Central Repair Facility		311,313.00		311,313.00		298,823.07		12,489.93
Salaries and Wages		224,800.00		240,800.00		239,673.85		1,126.15
Other Expenses								
Snow Removal		395,000.00		407,000.00		398,706.09		8,293.91
Other Expenses								
<u>Health and Welfare</u>								
Board of Health		9,000.00		9,000.00		9,000.00		
Other Expenses								
<u>Recreation and Education</u>								
Parks and Playgrounds		228,906.00		228,906.00		215,151.95		13,754.05
Salaries and Wages		155,575.00		152,575.00		132,094.65		20,480.35
Other Expenses								
Expenses in Participation in Free County Library		2,000.00		2,000.00		1,509.94		490.06
Other Expenses								

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Exhibit A-3
Sheet 4 of 7

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget	Paid or Charged		Paid or Charged	Reserved	
<u>Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>						
State Uniform Construction Code						
Construction Official						
Salaries and Wages	\$ 370,658.00	\$ 370,658.00	\$ 370,658.00	\$ 15,057.80	\$	
Other Expenses	48,633.00	27,633.00	27,633.00	22,970.18	4,662.82	
Uniform Fire Safety Act C. 393						
Salaries and Wages	120,312.00	125,312.00	125,312.00	124,553.35	758.65	
Other Expenses	18,935.00	18,935.00	18,935.00	9,878.56	9,056.44	
<u>Unclassified</u>						
Utilities:						
Electricity	175,000.00	112,000.00	112,000.00	98,243.60	13,756.40	
Street Lighting	125,000.00	125,000.00	125,000.00	112,626.04	12,373.96	
Telephone and Telegraph	100,000.00	80,000.00	80,000.00	69,442.52	10,557.48	
Water	25,000.00	20,000.00	20,000.00	14,653.37	5,346.63	
Natural Gas	35,000.00	35,000.00	35,000.00	15,195.65	19,804.35	
Sewer	1,600.00	1,600.00	1,600.00	1,600.00		
Gasoline	225,000.00	225,000.00	225,000.00	136,566.29	88,433.71	
Condo Services Act	135,000.00	135,000.00	135,000.00	134,952.23	47.77	
Total Operations within Caps	14,860,052.00	14,825,052.00	14,825,052.00	14,307,091.63	517,960.37	
Contingent	10,000.00	10,000.00	10,000.00		10,000.00	
Total Operations Including Contingent within Caps	14,870,052.00	14,835,052.00	14,835,052.00	14,307,091.63	527,960.37	
Detail:						
Salaries and Wages	8,466,264.00	8,526,774.00	8,526,774.00	8,396,083.07	130,690.93	
Other Expenses	6,403,788.00	6,308,278.00	6,308,278.00	5,911,008.56	397,269.44	

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-3

Sheet 5 of 7

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN CAPS					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 398,983.00	\$ 398,983.00	\$ 398,982.31	\$.69	\$
Social Security System (O.A.S.I.)	575,000.00	610,000.00	603,367.02	6,632.98	
Police and Firemen's Retirement System of N.J.	1,086,180.00	1,086,180.00	1,086,180.00		
Unemployment Insurance	25,000.00	25,000.00	25,000.00		
Defined Contribution Retirement Plan	3,750.00	3,750.00	67.06	3,682.94	
Total Statutory Expenditures within Caps	<u>2,088,913.00</u>	<u>2,123,913.00</u>	<u>2,113,596.39</u>	<u>10,316.61</u>	
Total Appropriations within Caps	<u>16,958,965.00</u>	<u>16,958,965.00</u>	<u>16,420,688.02</u>	<u>538,276.98</u>	

OPERATIONS EXCLUDED FROM CAPS

Insurance					
Group Insurance Plan for Employees	20,408.00	20,408.00	20,408.00		
Length of Service Awards Program					
Fire Department	30,000.00	30,000.00	19,550.00	10,450.00	
First Aid	25,000.00	25,000.00	24,150.00	850.00	
Interlocal Agreements:					
Monmouth County					
9-1-1 Network	19,000.00	19,000.00	18,485.23	514.77	
Public and Private Programs Offset by Revenues					
Alcohol Education and Rehabilitation		471.47	471.47		
Body Armor Fund	5,728.13	9,595.90	9,595.90		
Bullet Proof Vest Program		4,665.39	4,665.39		
Clean Communities Program		44,153.77	44,153.77		
Click It or Ticket		4,000.00	4,000.00		

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
	\$	\$	\$	\$	\$
D. W.I. Saturation Point		10,000.00	10,000.00		
Drive Sober or Get Pulled Over		5,000.00	5,000.00		
Library Design Grant		25,000.00	25,000.00		
Matching Funds for Grants	11,550.00	1,060.00		1,060.00	
Municipal Alliance on Drug and Alcohol Abuse					
State Share	1,680.00	45,440.00	45,440.00		
Local Share	870.00	11,360.00	11,360.00		
Recycling Tonnage Grant	27,901.12	27,901.12	27,901.12		
Total Operations excluded from Caps	142,137.25	283,055.65	270,180.88	12,874.77	
Detail:					
Other Expenses	142,137.25	283,055.65	270,180.88	12,874.77	
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u>					
Capital Improvement Fund	100,000.00	100,000.00	100,000.00		
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u>					
Payment of Bond Principal	833,300.00	833,300.00	833,263.00		37.00
Payment of Bond Anticipation Notes	460,012.00	460,012.00	460,012.00		
Interest on Bonds	329,500.00	329,500.00	329,343.14		156.86
Interest on Notes	43,050.00	43,050.00	38,456.38		4,593.62
Interest on Emergency Note	7,425.00	7,425.00	7,425.00		
Open Space Debt Service					
Payment of Bond Principal	60,845.41	60,845.41	60,845.41		
M.C.I.A. Capital Lease					
Principal	477,780.00	477,780.00	477,780.00		
Interest	85,049.00	85,049.00	85,049.00		
Total Municipal Debt Service excluded from Caps	2,296,961.41	2,296,961.41	2,292,173.93		4,787.48

Exhibit A-3

Sheet 6 of 7

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 7 of 7

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>DEFERRED CHARGES EXCLUDED FROM CAPS</u>					
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	\$ 829,013.95	\$ 829,013.95	\$ 829,013.95	\$	\$
Unfunded Capital Ordinances	173,994.30	173,994.30	173,994.30		
Total Deferred Charges excluded from Caps	<u>1,003,008.25</u>	<u>1,003,008.25</u>	<u>1,003,008.25</u>		
Total General Appropriations excluded from Caps	<u>3,542,106.91</u>	<u>3,683,025.31</u>	<u>3,665,363.06</u>	<u>12,874.77</u>	<u>4,787.48</u>
Subtotal General Appropriations Reserve for Uncollected Taxes	<u>20,501,071.91</u> <u>1,383,426.64</u>	<u>20,641,990.31</u> <u>1,383,426.64</u>	<u>20,086,051.08</u> <u>1,383,426.64</u>	<u>551,151.75</u>	<u>4,787.48</u>
Total General Appropriations	<u>\$ 21,884,498.55</u>	<u>\$ 22,025,416.95</u>	<u>\$ 21,469,477.72</u>	<u>\$ 551,151.75</u>	<u>\$ 4,787.48</u>
Ref.		A-3	A-3	A	
Budget		\$ 21,884,498.55			
Added by N.J.S.A. 40A:4-87		<u>140,918.40</u>			
		<u>\$ 22,025,416.95</u>			
Disbursements			\$ 18,624,849.60		
Reserve for:					
Encumbrances			344,599.88		
Uncollected Taxes			<u>1,383,426.64</u>		
Deferred Charges:					
Special Emergency Authorizations (40A:4-55)			829,013.95		
Interfunds:					
General Capital Fund			100,000.00		
Grant Fund			<u>187,587.65</u>		
			<u>\$ 21,469,477.72</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

TRUST FUNDS

Exhibit B

STATEMENT OF ASSETS, LIABILITIES, RESERVES

AND FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2015 AND 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Assessment Fund:			
Cash	B-2	\$ 55,621.81	\$ 111,948.27
Animal Control Trust Fund:			
Interfund - Current Fund	B-6	32,260.07	26,120.71
Other Trust Fund:			
Cash	B-2	6,187,360.88	6,299,581.26
Interfund - Current Fund	B-7	1,036,614.10	1,109,007.60
		<u>7,223,974.98</u>	<u>7,408,588.86</u>
Length of Service Awards Program Fund (LOSAP) - Unaudited:			
Funds Held by Trustee	B-9	629,937.10	601,231.47
		<u>\$ 7,941,793.96</u>	<u>\$ 8,147,889.31</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Assessment Fund:			
Interfund - Current Fund		\$ 6,179.77	\$ 5,728.11
Assessment Refunds		49,442.04	105,768.50
Fund Balance	B-1	<u>55,621.81</u>	<u>111,948.27</u>
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-4	32,002.67	20,791.51
Prepaid Licenses	B-4,6	252.00	4,905.60
Fees Due to State of New Jersey	B-5	5.40	423.60
		<u>32,260.07</u>	<u>26,120.71</u>
Trust - Other:			
Miscellaneous Reserves	B-8	<u>7,223,974.98</u>	<u>7,408,588.86</u>
Length of Service Awards Program Fund (LOSAP) - Unaudited:			
Reserve for Length of Service Awards Program (LOSAP)	B-9	<u>629,937.10</u>	<u>601,231.47</u>
		<u>\$ 7,941,793.96</u>	<u>\$ 8,147,889.31</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

ASSESSMENT TRUST FUND

Exhibit B-1

STATEMENT OF FUND BALANCE - ASSESSMENT FUND

REGULATORY BASIS

Balance December 31, 2014	<u>Ref.</u> B	\$ 451.66
Decreased by:		
Anticipated as Revenue in Current Fund		\$ <u>451.66</u>
Balance December 31, 2015	B	\$ <u><u> </u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C

STATEMENT OF ASSETS, LIABILITIES, RESERVES

AND FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2015 AND 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash and Cash Equivalents	C-2	\$ 257,330.06	\$ 361,055.66
Due from M.C.I.A.		38,350.50	110,879.25
Deferred Charges to Future Taxation:			
Funded	C-4	12,567,181.89	14,187,358.71
Unfunded	C-5	12,462,411.36	11,201,417.66
Leased Assets under Capital Lease	C-10	1,535,900.00	2,078,680.00
Grants Receivable		274,000.00	100,000.00
Interfund - Current Fund	C-6	98,749.85	21,436.07
Prospective Assessments Raised by Taxation		17,000.00	17,000.00
		<u>\$ 27,250,923.66</u>	<u>\$ 28,077,827.35</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Interfund - Sewer Utility Operating Fund	D	\$ 200,000.00	\$
Capital Improvement Fund	C-7	16,311.40	21,311.40
Improvement Authorizations:			
Funded	C-8	320,822.66	326,272.51
Unfunded	C-8	2,234,862.79	4,507,508.33
Reserve for Encumbrances	C-8	2,474,903.12	724,941.95
Serial Bonds	C-9	11,166,272.00	12,598,740.00
M.C.I.A. Lease	C-10	1,535,900.00	2,078,680.00
Reserve for M.C.I.A. Encumbrances			
Green Trust Loan	C-11	404,176.54	439,280.05
Environmental Infrastructure Loans	C-12,13	996,733.35	1,149,338.66
Bond Anticipation Notes	C-14	7,752,491.00	6,143,966.00
Reserve for Curbs and Sidewalks		130,935.58	69,023.08
Reserve for Prospective Assessments Raised by Taxation		17,000.00	17,000.00
Fund Balance	C-1	515.22	1,765.37
		<u>\$ 27,250,923.66</u>	<u>\$ 28,077,827.35</u>

There were bonds and notes authorized but not issued on December 31, 2015 and 2014 of \$4,809,920.36 and \$5,057,451.66, respectively (Schedule C-15).

The accompanying Notes to Financial statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-1

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 1,765.37
Decreased by:		
Anticipated as Revenue in Current Fund	C-6	<u>1,250.15</u>
Balance December 31, 2015	C	\$ <u><u>515.22</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY FUND

Exhibit D

STATEMENT OF ASSETS, LIABILITIES, RESERVES

Sheet 1 of 2

AND FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2015 AND 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Operating Fund:			
Cash and Cash Equivalents	D-7	\$ 2,278,390.29	\$ 2,043,787.11
Interfunds:			
General Capital Fund	D-10	200,000.00	
Utility Capital Fund	D-10	110,846.94	110,846.94
		<u>2,589,237.23</u>	<u>2,154,634.05</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-11	223,885.32	256,102.55
Total Operating Fund		<u>2,813,122.55</u>	<u>2,410,736.60</u>
Assessment Trust Fund:			
Cash and Cash Equivalents	D-7	1,448.33	532.71
Interfund - Utility Operating Fund	D	51,611.00	77,041.52
Assessments Receivable	D-12	41,131.64	55,640.32
Total Assessment Trust Fund		<u>94,190.97</u>	<u>133,214.55</u>
Capital Fund:			
Cash and Cash Equivalents	D-7	728,442.21	176,918.81
Fixed Capital	D-13	6,757,701.43	6,757,701.43
Fixed Capital Authorized and Uncompleted	D-14	1,330,000.00	1,330,000.00
Total Capital Fund		<u>8,816,143.64</u>	<u>8,264,620.24</u>
		<u>\$ 11,723,457.16</u>	<u>\$ 10,808,571.39</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4	\$ 126,231.55	\$ 96,271.57
Reserve for Encumbrances	D-4	84,868.22	76,507.60
Prepaid Rents	D-7,11	10,106.52	11,559.60
Interfunds:			
Current Fund	D-10	542,447.59	542,447.59
Utility Assessment Trust Fund	D-10	51,611.00	77,041.52
Accrued Interest on Bonds and Loans	D-17	4,422.20	2,471.23
		<u>819,687.08</u>	<u>806,299.11</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY FUND

Exhibit D

STATEMENT OF ASSETS, LIABILITIES, RESERVES

Sheet 2 of 2

AND FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2015 AND 2014

<u>Liabilities, Reserves and Fund Balance (Continued)</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Operating Fund (Continued):			
Reserve for Receivables		\$ 223,885.32	\$ 256,102.55
Operating Fund Balance	D-1	1,769,550.15	1,348,334.94
Total Operating Fund		<u>2,813,122.55</u>	<u>2,410,736.60</u>
Assessment Trust Fund:			
Interfund - Current Fund	A	1,400.00	1,400.00
Assessment Overpayments	D-7	69.03	
Assessment Serial Bonds	D-20	92,000.00	108,000.00
Reserve for Assessments and Liens		.28	721.94
Fund Balance	D-2	721.66	23,092.61
Total Assessment Trust Fund		<u>94,190.97</u>	<u>133,214.55</u>
Capital Fund:			
Interfund - Utility Operating Fund	D	110,846.94	110,846.94
Capital Improvement Fund	D-16	155,884.96	155,884.96
Improvement Authorizations:			
Funded	D-18	4,713.49	4,713.49
Unfunded	D-18	456,996.82	635,473.42
Reserve for Amortization	D-19	6,712,973.43	6,585,121.43
Deferred Reserve for Amortization	D	100,000.00	
Serial Bonds	D-21	44,728.00	87,260.00
Bond Anticipation Notes	D-22	1,230,000.00	600,000.00
M.C.I.A. Lease	D-23		85,320.00
Total Capital Fund		<u>8,816,143.64</u>	<u>8,264,620.24</u>
		<u>\$ 11,723,457.16</u>	<u>\$ 10,808,571.39</u>

There were bonds and notes authorized but not issued on December 31, 2015 and 2014 of \$-0- and \$730,000.00, respectively.

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY FUND

Exhibit D-1

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	D-3	\$ 219,135.08	\$ 154,477.64
Sewer Rents	D-3	2,867,907.80	2,803,658.18
Miscellaneous Revenue Anticipated	D-3	35,934.72	38,150.42
Special Items:			
Fund Balances Anticipated:			
Sewer Assessment Fund		23,092.61	95,522.36
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-15	91,784.74	198,571.27
Total Income		<u>3,237,854.95</u>	<u>3,290,379.87</u>
<u>Expenditures</u>			
Budget:			
Operating		2,270,635.00	2,203,045.00
Capital Improvements		40,000.00	145,000.00
Debt Service		246,951.97	173,266.08
Deferred Charges and Statutory Expenditures		39,917.69	9,690.00
Total Expenditures		<u>2,597,504.66</u>	<u>2,531,001.08</u>
Statutory Excess to Fund Balance		640,350.29	759,378.79
Fund Balance January 1	D	1,348,334.94	743,433.79
		<u>1,988,685.23</u>	<u>1,502,812.58</u>
Decreased by:			
Utilization by Sewer Operating Budget	D-1	<u>219,135.08</u>	<u>154,477.64</u>
Fund Balance December 31	D	<u>\$ 1,769,550.15</u>	<u>\$ 1,348,334.94</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY FUND

Exhibit D-2

STATEMENT OF SEWER UTILITY ASSESSMENT FUND BALANCE

REGULATORY BASIS

Balance December 31, 2014	<u>Ref.</u> D	\$ 23,092.61
Increased by:		
Collection of Unpledged Assessments		<u>721.66</u> 23,814.27
Decreased by:		
Payment to Operating Fund as Anticipated Revenue	D-11	<u>23,092.61</u>
Balance December 31, 2015	D	\$ <u><u>721.66</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY OPERATING FUND

Exhibit D-3

STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ <u>219,135.08</u>	\$ <u>219,135.08</u>	\$ _____
Sewer Rents	D-1,11	2,356,153.00	2,867,907.80	511,754.80
Miscellaneous	D-1,3		35,934.72	35,934.72
Special Items:				
Fund Balances Anticipated:				
Sewer Assessment Fund	D-1,10	23,092.61	23,092.61	
		<u>2,379,245.61</u>	<u>2,926,935.13</u>	<u>547,689.52</u>
		\$ <u>2,598,380.69</u>	\$ <u>3,146,070.21</u>	\$ <u>547,689.52</u>
	<u>Ref.</u>	D-5		
<u>Analysis of Miscellaneous Revenue</u>				
Hookup Fees			\$ 7,920.00	
Interest on Delinquent Sewer Rents			25,409.14	
Interest on Sewer Assessments			2,337.91	
Other			<u>267.67</u>	
	D-3		\$ <u>35,934.72</u>	
Receipts	D-7		\$ 33,596.81	
Interfunds	D-10		<u>2,337.91</u>	
	D-3		\$ <u>35,934.72</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY OPERATING FUND

Exhibit D-4

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriated		Expended	Unexpended Balance Cancelled
	Budget	Budget After Modification		
Operating				
Salaries and Wages	\$ 209,481.00	\$ 209,481.00	\$ 201,985.39	\$ 7,495.61
Other Expenses	2,061,154.00	2,061,154.00	1,983,527.78	77,626.22
Capital Improvements				
Capital Outlay	40,000.00	40,000.00		40,000.00
Debt Service				
Payment of Bond Principal	42,532.00	42,532.00		
Payment of Note Principal	100,000.00	100,000.00		
Interest on Bonds	8,460.00	8,460.00	8,452.45	7.55
Interest on Notes	7,250.00	7,250.00	6,381.52	868.48
M.C.I.A. Lease:				
Principal	85,320.00	85,320.00	85,320.00	
Interest	4,266.00	4,266.00	4,266.00	
Statutory Expenditures				
Public Employees Retirement System	24,917.69	24,917.69	24,917.69	
Contribution to Social Security System	15,000.00	15,000.00	13,890.28	1,109.72
	<u>\$ 2,598,380.69</u>	<u>\$ 2,598,380.69</u>	<u>\$ 2,471,273.11</u>	<u>\$ 876.03</u>
	Ref. D-4	D-1	D	D-1
Reserve for Encumbrances			\$ 84,868.22	
Disbursements			2,371,570.92	
Accrued Interest on Bonds and Notes			14,833.97	
			<u>\$ 2,471,273.11</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER ASSESSMENT UTILITY FUND

Exhibit D-5

STATEMENT OF REVENUES - ASSESSMENT FUND

REGULATORY BASIS

	Budget Revenue	Realized
Assessment Cash	\$ <u>16,000.00</u>	\$ <u>16,000.00</u>
	Ref.	D-6

STATEMENT OF EXPENDITURES - ASSESSMENT FUND

REGULATORY BASIS

Exhibit D-6

	Budget Appropriations	Expended
Payment of Bond Principal	\$ <u>16,000.00</u>	\$ <u>16,000.00</u>
	Ref.	D-5

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

GENERAL FIXED ASSETS ACCOUNT GROUP

Exhibit H

STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS

DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
General Fixed Assets:		
Land	\$ 16,871,025.00	\$ 16,871,025.00
Buildings	4,313,495.00	4,313,495.00
Equipment	10,508,226.00	10,508,226.00
	<u>\$ 31,692,746.00</u>	<u>\$ 31,692,746.00</u>
<u>Liabilities</u>		
Investment in General Fixed Assets	<u>\$ 31,692,746.00</u>	<u>\$ 31,692,746.00</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SWIM POOL UTILITY FUND

Exhibit S

STATEMENT OF ASSETS, LIABILITIES, RESERVES

AND FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2015 AND 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Operating Fund:			
Cash and Cash Equivalents	S-4	\$ 140,723.89	\$ 201,678.49
Capital Fund:			
Fixed Capital	S-5	823,797.92	823,797.92
Interfund - Swim Pool Operating Fund		7,700.00	7,700.00
Total Capital Fund		<u>831,497.92</u>	<u>831,497.92</u>
		\$ <u>972,221.81</u>	\$ <u>1,033,176.41</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	S-3,8	\$ 5,527.14	\$ 35,297.52
Reserve for Encumbrances	S-3,8	7,043.45	9,019.64
Interfund - Swim Pool Capital Fund		7,700.00	7,700.00
		<u>20,270.59</u>	<u>52,017.16</u>
Operating Fund Balance	S-1	120,453.30	149,661.33
Total Operating Fund		<u>140,723.89</u>	<u>201,678.49</u>
Capital Fund:			
Capital Improvement Fund	S-6	7,700.00	7,700.00
Reserve for Amortization	S-7	823,797.92	823,797.92
Total Capital Fund		<u>831,497.92</u>	<u>831,497.92</u>
		\$ <u>972,221.81</u>	\$ <u>1,033,176.41</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SWIM POOL UTILITY OPERATING FUND

Exhibit S-1

COMPARATIVE STATEMENT OF OPERATIONS AND

CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	S-2	\$ 148,303.00	\$ 213,797.92
Swim Pool Fees	S-2	354,490.00	359,845.00
Swim Pool Capital Fund - Fund Balance			502.08
Miscellaneous Revenue not Anticipated	S-2	88,070.75	79,985.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	S-8	36,379.22	69,433.02
Total Income		<u>627,242.97</u>	<u>723,563.02</u>
<u>Expenditures</u>			
Budget:			
Operating	S-3	490,848.00	616,300.00
Capital Improvements			3,000.00
Deferred Charges and Statutory Expenditures	S-3	17,300.00	19,000.00
Total Expenditures		<u>508,148.00</u>	<u>638,300.00</u>
Excess in Revenue		119,094.97	85,263.02
Fund Balance January 1	S	149,661.33	278,196.23
		<u>268,756.30</u>	<u>363,459.25</u>
Decreased by:			
Utilization by Swim Pool Operating Budget	S-1	148,303.00	213,797.92
Fund Balance December 31	S	<u>\$ 120,453.30</u>	<u>\$ 149,661.33</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SWIM POOL UTILITY OPERATING FUND

Exhibit S-2

STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	<u>S-1</u>	<u>\$ 148,303.00</u>	<u>\$ 148,303.00</u>	<u>\$</u>
Membership Fees	S-1,4	359,845.00	354,490.00	(5,355.00)
Miscellaneous	S-1,4		88,070.75	88,070.75
		<u>359,845.00</u>	<u>442,560.75</u>	<u>82,715.75</u>
		<u>\$ 508,148.00</u>	<u>\$ 590,863.75</u>	<u>\$ 82,715.75</u>
	Ref.	S-3		

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SWIM POOL UTILITY OPERATING FUND

Exhibit S-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operating				
Salaries and Wages	\$ 207,403.00	\$ 221,903.00	\$ 220,642.30	\$ 1,260.70
Other Expenses	284,945.00	268,945.00	265,170.34	3,774.66
Statutory Expenditures				
Contribution to:				
Social Security System	15,800.00	17,300.00	16,808.22	491.78
	<u>\$ 508,148.00</u>	<u>\$ 508,148.00</u>	<u>\$ 502,620.86</u>	<u>\$ 5,527.14</u>
<u>Ref.</u>	S-2	S-1		S
Reserve for Encumbrances			\$ 7,043.45	
Disbursements			<u>495,577.41</u>	
			<u>\$ 502,620.86</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF HOLMDEL
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Township of Holmdel, County of Monmouth, New Jersey (the "Township"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S. 40A:5-5. The financial statements of the Township do not include the operations of the Board of Education, first aid organization or volunteer fire companies which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") Statement 14 as amended by GASB 39 and 61, established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Township, by statute or other directive, report separately on their financial statements. The Township had no component units during 2015.

B. Descriptions of Funds

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

The accounting policies of the Township conform to the accounting principles applicable to municipalities which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differs from the fund structure required by generally accepted accounting principles ("GAAP"):

Current Fund - revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Assessment Trust Fund - used to account for the financing of local improvements deemed to benefit the properties against which assessments are levied.

Animal Control Trust Fund - animal license revenues and expenditures.

Other Trust Fund - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Descriptions of Funds (Continued)

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Sewer Utility Operating Fund - revenues and expenditures necessary to operate a municipally-owned sewer collection system from user fees.

Sewer Utility Assessment Trust Fund - used to account for the financing of local utility improvements deemed to benefit the properties against which assessments are levied.

Sewer Utility Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of sewer capital facilities, other than those acquired through the Sewer Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

Swim Pool Utility Operating Fund - revenues and expenditures necessary to operate a municipally-owned swimming pool from user fees.

Swim Pool Utility Capital Fund - receipt and disbursement of funds used for acquisition of capital facilities necessary to maintain and expand the municipally-owned swimming pool.

General Fixed Assets Account Group - used to account for fixed assets used in general government operations.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Property Taxes and Other Revenues - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenues - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Deferred Charges - the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2015 is set forth in Note 9.

Compensated Absences - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The compensated absence liability at December 31, 2015 is set forth in Note 4.

Property Acquired for Taxes - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded at its market value.

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Interfunds - advances in the Current Fund are reported as interfund receivables with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

Capital Leases - the Township is obligated under a number of leases with the Monmouth County Improvement Authority. The related obligations are presented in Note 12 and are presented on the General Capital and Sewer Utility Capital Fund Balance Sheets in accordance with the regulatory reporting requirements. Interest and principal is charged to the budget based upon the cash basis. GAAP requires that the leased assets and related obligations be accounted for at present value in the General Fixed Assets Account Group and the General Long-Term Debt Group, respectively. GAAP also requires that the effective interest method be utilized to determine the interest expense.

General Fixed Assets - In accordance with the New Jersey Administrative Code, as promulgated by the Division, which differs in certain respects from GAAP, the Township is required to develop a fixed assets accounting and reporting system. Fixed assets acquired prior to December 31, 1996 are based on an inspection and appraisal prepared by an independent firm. All general fixed assets acquired after January 1, 1997 are recorded at cost.

Fixed assets used in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are required to be valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

Expenditures for construction in progress are required to be recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Utility Fixed Assets - Accounting for utility fund "fixed capital" remains unchanged.

Property and equipment purchased by the Water-Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contribution in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the costs of acquisitions of property, equipment and improvements.

Property and equipment of the Water-Sewer Utility Fund are not depreciated. Principal payments for Water-Sewer Utility debt are recorded as expenditures in the Water-Sewer Utility Statement of Operations.

During 2015 and 2014 the following changes occurred in the fixed assets of the Township:

	<u>Balance</u>		<u>Balance</u>
	<u>Jan. 1, 2015</u>		<u>Dec. 31, 2015</u>
General Fixed Assets Account Group:			
Land	\$ 16,871,025		\$ 16,871,025
Buildings	4,313,495		4,313,495
Equipment	10,508,226		10,508,226
Sewer Utility Fund:			
Fixed Capital	6,757,701		6,757,701
Fixed Capital Authorized and Uncompleted	1,330,000		1,330,000
Swim Pool Utility Fund:			
Fixed Capital	<u>823,798</u>		<u>823,798</u>
	<u>\$ 40,604,245</u>		<u>\$ 40,604,245</u>

	<u>Balance</u>	<u>Expenditures</u>	<u>Balance</u>
	<u>Jan. 1, 2014</u>	<u>from</u>	<u>Dec. 31, 2014</u>
		<u>Current and</u>	
		<u>Capital Funds</u>	
General Fixed Assets Account Group:			
Land	\$ 16,871,025		\$ 16,871,025
Buildings	4,313,495		4,313,495
Equipment	10,508,226		10,508,226
Sewer Utility Fund:			
Fixed Capital	6,757,701		6,757,701
Fixed Capital Authorized and Uncompleted	1,200,000	130,000	1,330,000
Swim Pool Utility Fund:			
Fixed Capital	<u>823,798</u>		<u>823,798</u>
	<u>\$ 40,474,245</u>	<u>\$ 130,000</u>	<u>\$ 40,604,245</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Financial Statements

The GASB Codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The Township presents its financial statements in accordance with another comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the Division in accordance with applicable statutes.

F. Subsequent Events

The Township has evaluated subsequent events through June 7, 2016, the date the financial statements were available to be issued.

NOTE 2. CASH AND CASH EQUIVALENTS

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds; or
If the public funds deposited exceed 75 percent of the funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

At year-end the carrying amount of the Township's deposits was \$18,542,703 and the bank balance amount was \$18,634,647. Of this amount \$500,000 was covered by federal depository insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered \$15,443,221. An amount of \$2,691,426 was on deposit in the name of various developers for escrow and is insured by federal depository insurance or uninsured depending on the deposits of the individual developer in the depository.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Township may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Township:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Township, or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Municipal investment pools.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the Township shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Township and prevent unauthorized use of such investments.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

- c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute up to one twentieth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

The Township had no investments at December 31, 2015.

C. Cash Management Plan

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

D. Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2015</u>	<u>2014</u>
Insured:		
FDIC	\$ 500,000	\$ 500,000
GUDPA	15,443,221	15,503,111
Escrow Deposits	<u>2,691,426</u>	<u>2,714,915</u>
	\$ <u>18,634,647</u>	\$ <u>18,718,026</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Township may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Township:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Township, or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Municipal investment pools.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the Township shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Township and prevent unauthorized use of such investments.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

- c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute up to one twentieth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

The Township had no investments at December 31, 2015.

C. Cash Management Plan

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

D. Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2015</u>	<u>2014</u>
Insured:		
FDIC	\$ 500,000	\$ 500,000
GUDPA	15,443,221	15,503,111
Escrow Deposits	<u>2,691,426</u>	<u>2,714,915</u>
	\$ <u>18,634,647</u>	\$ <u>18,718,026</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

D. Credit Risk Categories (Continued)

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk. As a means of limiting the Township's exposure to fair value losses arising from interest rates, all investment maturities are less than one year.

State law limits investments as noted above.

During the year, the Township had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Township.

The Township places no limit on the amount that may be invested in any one issuer. At the close of the year, the Township had no investments.

NOTE 3. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

A. Long-Term Debt

The Township's long-term debt is summarized as follows:

General Capital Fund - Serial Bonds

2.875% to 5.25% General Improvement Serial Bonds Issued December 21, 2004, installment maturities to December 31, 2020	\$ 1,973,000
4.00% to 5.00% Refunding Bonds Issued March 29, 2007, installment maturities to December 1, 2021	2,934,272
3.00% to 5.25% General Improvement Serial Bonds Issued, December 4, 2008, installment maturities to December 1, 2028	<u>6,259,000</u>
	\$ <u>11,166,272</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

General Capital Fund - Serial Bonds (Continued)

The General Capital Fund bonds mature serially in installments to the year 2028. Aggregate debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,473,272	\$ 518,636
2017	1,220,000	453,253
2018	1,278,000	400,302
2019	1,339,000	339,260
2020	1,399,000	278,770
2021	992,000	220,355
2022	495,000	175,725
2023	495,000	149,738
2024	495,000	124,987
2025	495,000	99,619
2026	495,000	74,250
2027	530,000	49,500
2028	<u>460,000</u>	<u>23,000</u>
Total	\$ <u>11,166,272</u>	\$ <u>2,907,395</u>

In 2016 the Township refunded a portion of the General Improvement Bonds issued in 2008. The revised debt service schedule for General Capital Fund bonds maturing serially in installments to the year 2028 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,528,272	\$ 425,140
2017	1,220,000	427,383
2018	1,278,000	374,432
2019	1,319,000	313,390
2020	1,373,000	256,050
2021	967,000	196,480
2022	470,000	153,100
2023	470,000	129,600
2024	465,000	106,100
2025	465,000	82,850
2026	460,000	59,600
2027	460,000	36,600
2028	<u>455,000</u>	<u>18,200</u>
Total	\$ <u>10,930,272</u>	\$ <u>2,578,925</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

General Capital Fund - Green Trust Loan Program

The Township has three low interest loans (2%) under the New Jersey Department of Environmental Protection's Green Trust Program. Two for Phillips/Veterans Park for \$150,000 and \$237,500 finalized in May and November 2005, respectively. A \$350,000 loan for Cross Farm Park was finalized in January 2006. The Township must repay each loan in semi-annual installments over twenty years. The balance at December 31, 2015 was \$404,175. Loan payments are due through 2026.

Debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 35,809	\$ 7,905
2017	36,529	7,186
2018	37,263	6,451
2019	38,012	5,702
2020	38,776	4,938
2021	39,555	4,159
2022	40,351	3,364
2023	41,162	2,553
2024	41,989	1,726
2025	32,339	882
2026	<u>22,391</u>	<u>336</u>
Total	\$ <u>404,176</u>	\$ <u>45,202</u>

Infrastructure Loans

The Township entered into an agreement in 2001 with the New Jersey Environmental Infrastructure Trust to finance the purchase of open space. The "Trust Loan", with interest rates between 4.00% and 5.50%, of \$1,345,000 principal is payable from January 1, 2003 with final payment due on January 1, 2021. The "Fund Loan", with zero interest, of \$1,415,263 principal is payable from January 1, 2002 with final payment due on January 1, 2021. The balance at December 31, 2015 was \$996,733.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

Infrastructure Loans (Continued)

Debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 158,255	\$ 27,737
2017	163,742	23,488
2018	160,819	18,987
2019	166,143	14,488
2020	171,306	9,737
2021	<u>176,468</u>	<u>4,988</u>
Total	\$ <u>996,733</u>	\$ <u>99,425</u>

Utility Fund

Sewer Utility Assessment Trust Fund - Serial Bonds

4.00% to 5.00% Sewer Utility Assessment Bonds issued December 21, 2004,
installment maturities to December 1, 2020

\$ 92,000

The Sewer Utility Assessment Trust Fund bonds mature serially to the year 2020. Aggregate debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 17,000	\$ 4,830
2017	18,000	3,938
2018	18,000	2,992
2019	19,000	2,048
2020	<u>20,000</u>	<u>1,050</u>
Total	\$ <u>92,000</u>	\$ <u>14,858</u>

Sewer Capital Fund - Serial Bonds

4.00% to 5.00% Refunding Bonds issued March 29, 2007,
Installment maturities to December 1, 2016

\$ 44,728

The Sewer Utility Capital Fund bonds mature serially to the year 2016. Aggregate debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ <u>44,728</u>	\$ 2,236

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (CONTINUED)

B. Short-Term Debt

Current Fund

The Township has a .50% emergency note outstanding at December 31, 2015 in the amount of \$817,509 for expenses related to Superstorm Sandy. The note is required to be repaid at a minimum amount of 20% of the original emergency per year for a maximum of five years.

General Capital Fund

On December 31, 2015, the Township's outstanding bond anticipation notes were as follows:

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
General Improvements:			
2009-15	Various Capital Improvements	\$ 940,129	0.50%
2010-33	Various Capital Improvements	517,025	0.50%
2011-12	Road and Drainage Improvements	790,000	0.50%
2013-04	Various Capital Improvements	1,523,800	0.50%
2013-09	Various Capital Improvements	1,580,000	0.50%
2014-14, 2014-23	Various Capital Improvements	2,068,537	0.50%
Local Improvements:			
2013-34	Installation of Water Mains in the Stillwell Road Area	<u>333,000</u>	0.50%
		\$ <u>7,752,491</u>	

Sewer Utility Capital Fund

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
General Improvements:			
2013-18	Sewer Utility Improvements	\$ 500,000	0.50%
2013-18	Sewer Utility Improvements	600,000	0.50%
Local Improvements:			
2014-16	Manee Place Sanitary Sewer Extension	<u>130,000</u>	0.50%
		\$ <u>1,230,000</u>	

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (CONTINUED)

C. Bonds and Notes Authorized but not Issued

At December 31 the Township had authorized but not issued bonds and notes as follows:

	<u>2015</u>	<u>2014</u>
General Capital Fund	\$ 4,809,920	\$ 5,057,452
Sewer Utility Capital Fund	-0-	730,000

D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2015 was .611%. The Township's remaining borrowing power is 2.889%.

The summary of municipal debt for the last three years and the calculation of statutory net debt is presented in the Supplementary Data section of this report.

E. Summary of Debt Activity

During 2015 and 2014 the following changes occurred in the debt of the Township:

	<u>Balance</u> <u>Jan. 1, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Due Within</u> <u>One Year</u>
General Debt:					
Serial Bonds	\$ 12,598,740	\$	\$ 1,432,468	\$ 11,166,272	\$ 1,473,272
Green Trust Loans	439,280		35,104	404,176	35,809
Environmental Infrastructure					
Loans	1,149,339		152,606	996,733	158,255
Bond Anticipation Notes	6,143,966	2,068,537	460,012	7,752,491	7,752,491
Sewer Assessment Trust Fund Debt:					
Serial Bonds	108,000		16,000	92,000	17,000
Sewer Utility Fund Debt:					
Serial Bonds	87,260		42,532	44,728	44,728
Bond Anticipation Notes	600,000	730,000	100,000	1,230,000	1,230,000
	<u>\$ 21,126,585</u>	<u>\$ 2,798,537</u>	<u>\$ 2,238,722</u>	<u>\$ 21,686,400</u>	<u>\$ 10,711,555</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (CONTINUED)

E. Summary of Debt Activity (Continued)

	<u>Balance</u> <u>Jan. 1, 2014</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
General Debt:			
Serial Bonds	\$ 14,077,603	\$ 1,478,863	\$ 12,598,740
Green Trust Loans	473,692	34,412	439,280
Environmental Infrastructure Loans	1,296,132	146,793	1,149,339
Bond Anticipation Notes	6,504,153	360,187	6,143,966
Sewer Assessment Trust Fund Debt:			
Serial Bonds	160,258	52,258	108,000
Sewer Utility Fund Debt:			
Serial Bonds	155,139	67,879	87,260
Bond Anticipation Notes	600,000		600,000
	<u>\$ 23,266,977</u>	<u>\$ 2,140,392</u>	<u>\$ 21,126,585</u>

NOTE 4. ACCRUED UNUSED SICK BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused sick pay. The Township permits certain employees within limits to accumulate unused sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation approximates \$118,539 and \$155,454 at December 31, 2015 and 2014, respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 5. FUND BALANCES APPROPRIATED

The fund balances at December 31 which have been appropriated and included as anticipated revenue in the introduced municipal budget for the year ending December 31 of the succeeding years are as follows:

	<u>2015</u>	<u>2014</u>
Current Fund	\$ 2,660,000	\$ 1,900,000
Sewer Utility Fund	333,631	219,135
Swim Pool Utility Fund	119,000	148,303

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 6. TAXES AND SEWER CHARGES COLLECTED IN ADVANCE

Taxes and sewer charges collected in advance set forth as cash liabilities in the financial statements, are as follows:

	<u>Balance December 31</u>	
	<u>2015</u>	<u>2014</u>
Prepaid Taxes	\$ 411,080	\$ 297,025
Prepaid Sewer Utility Charges	10,107	11,560

NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Regional School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (the "Collector") on or before May 13th.

Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

NOTE 8. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

Upon the authorization of capital projects, the Township establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 9. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015 and 2014, the following deferred charges are shown on the balance sheet of the Current Fund:

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance to</u> <u>2016 Budget</u> <u>Appropriation</u>	
Current Fund:			
Special Emergency	\$ 188,630	\$ 188,630	
	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>2015 Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
Current Fund:			
Special Emergency	\$ 1,646,522	\$ 829,014	\$ 817,508

The appropriation in the 2016 and 2015 budgets were not less than that required by statute.

A portion of the emergency amounting to \$628,878 was cancelled in 2015.

NOTE 10. PENSION OBLIGATIONS

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Plan Description (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before reaching age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$809,369 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

B. Public Employees' Retirement System (PERS) (Continued)

Net Pension Liability and Pension Expense - At December 31, 2015, the Township's proportionate share of the PERS net pension liability is valued to be \$10,951,512. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .04879%, which was a decrease of .00119% from its proportion measured as of June 30, 2014.

	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Deferred Outflows of Resources	\$ 1,852,414	\$ 556,999
Deferred Inflows of Resources	176,079	N/A
Net Pension Liability	10,951,512	8,911,169
District's Portion of the Plans Total Net Pension Liability	0.04879%	0.04760%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$809,369.

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.04%

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 13,611,389.00	\$ 10,951,512.00	\$ 8,721,490.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate - Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	<u>2.50%</u>	5.35%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.39% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

B. Police and Firemen's Retirement System (PFRS)

Plan Description - The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represent membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

B. Police and Firemen's Retirement System (PFRS) (Continued)

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on a actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015 and 2014, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability, Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2013 and will be adjusted by the rate of return on the actuarial value of assets.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

B. Police and Firemen's Retirement System (PFRS) (Continued)

Net Pension Liability and Pension Expense - At December 31, 2015, the Township's proportionate share of the PFRS net pension liability is valued to be \$22,085,796. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .13260%, which was an increase of .00015% from its proportion measured as of June 30, 2014.

Collective Balances at December 31, 2015 and December 31, 2014

	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Deferred Outflows of Resources	\$ 4,536,968	\$ 1,174,207
Deferred Inflows of Resources	574,881	N/A
Net Pension Liability	22,085,796	16,660,040
District's Portion of the Plans Total Net Pension Liability	0.13260%	0.13244%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$693,813.00.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$1,936,850 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State's proportion of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2015 was .13260%, which was an increase of .00015% from its proportion measured as of June 30, 2014, which is the same proportion as the Township's.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

B. Police and Firemen's Retirement System (PFRS) (Continued)

Borough's Proportionate Share of the Net Pension Liability	\$ 22,085,796.00
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>1,936,850.00</u>
Total Net Pension Liability	<u>\$ 24,022,646.00</u>

For the year ended December 31, 2015, the Township's total allocated pension expense was \$2,015,580.

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PFRS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.60-9.48% Based on Age Thereafter - 3.60-10.48% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Health Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

B. Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

B. Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Expected Rate of Return (Continued)

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79%) or 1-percentage-point higher (6.79%) than the current rate:

	<u>Decrease</u> <u>(4.79%)</u>	<u>Discount</u> <u>Rate</u> <u>(5.79%)</u>	<u>Increase</u> <u>(6.79%)</u>
Township Proportionate Share of the Net Pension Liability	\$31,669,474	\$24,022,646	\$17,787,341

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by *N.J.S.A. 43:15C-1 et. seq.*

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

As of December 31, 2015, the Township did not have any employees participating in the Defined Contribution Retirement Program.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 11. SCHOOL TAXES

Local District School Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 required that any municipality that levied school taxes on a school year basis shall defer from the 1991 municipal purposes tax levy at least 25% of the amount allowable to be deferred (which is 50% (fifty percent) of the levy). The remainder of the allowable amount shall be deferred from the levy in each of the next three years (1992-1994). The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. In 1992 at least 50% of the amount allowable to be deferred from the 1992 tax levy was required to offset the 1993 local property tax levy and the total amount of deferral at December 31, 1993 was 75% of the amount allowable to be deferred based on the 1993 tax levy.

In 1994 Section 13, P.L. 1991, C. 63 was amended to provide municipalities with the option to determine the percentage if any of the amount allowable to be deferred to offset the local property tax levy for local purposes.

	<u>Local District School Tax</u>	
	<u>Balance December 31</u>	
	<u>2015</u>	<u>2014</u>
Balance of Tax	\$ 26,721,385	\$ 26,107,824
Deferred	<u>25,147,113</u>	<u>25,147,113</u>
Tax Payable	\$ <u>1,574,272</u>	\$ <u>960,711</u>

NOTE 12. CAPITAL LEASE

As described in Note 1, the obligations under the Capital Lease based upon the statutory basis of accounting is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest and Fees</u>
2016	\$ 509,100	\$ 66,800
2017	307,800	45,135
2018	155,000	30,095
2019	142,000	22,848
2020	106,000	17,070
2021	108,000	12,740
2022	102,000	8,320
2023	<u>106,000</u>	<u>4,240</u>
Total	\$ <u>1,535,900</u>	\$ <u>207,248</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 13. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township is a member of the Mid-Jersey Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Township pays an actuarially determined annual assessment to Mid-Jersey Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Township has not been notified on any supplemental assessments.

NOTE 14. CONTINGENT LIABILITIES

State and Federal Financial Assistance

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2015, the Township estimates that no material liabilities will result from such audits.

Major Tax Assessments

Taxpayers in 2015 with assessments in excess of 1% of the total assessed valuation were as follows:

<u>Block/Lot</u>	<u>Assessed Value</u>	<u>% of Value</u>
58/21.01	\$ 63,554,600	1.56%
50.35/1	52,550,300	1.28%

Pending Litigation

There are actions which have been instituted against the Township which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Township.

It is the opinion of the Township officials that there is no litigation threatened or pending that would materially affect the financial position of the Township or adversely affect the Township's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 14. CONTINGENT LIABILITIES (CONTINUED)

Pending Litigation (Continued)

The Township officials believe that negligence and other types of liability suits, of which the Township is aware, appear to be within the stated policy limits and would be deferred by the respective carriers.

Lease Guarantee

The Township adopted three ordinances wherein it guarantees the payment of principal and interest on three capital leases between the Holmdel Township Board of Education and the Monmouth County Improvement Authority. The said principal amount shall not exceed \$2,390,000. The outstanding principal balance at December 31, 2015 is \$1,302,000.

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2015:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 550,027	\$ 1,371,409
Grant Fund	203,785	
Assessment Trust Fund		6,180
Animal Control Trust Fund	32,260	
Other Trust Fund	1,036,614	
General Capital Fund	98,750	200,000
Sewer Utility Operating Fund	310,847	594,059
Sewer Utility Assessment Fund	51,611	1,400
Sewer Utility Capital Fund		110,846
Swim Pool Utility Operating Fund		7,700
Swim Pool Utility Capital Fund	<u>7,700</u>	<u> </u>
	\$ <u>2,291,594</u>	\$ <u>2,291,594</u>

NOTE 16. UNEMPLOYMENT COMPENSATION INSURANCE

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.) The Township has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. A portion of funds collected from employees are transmitted to the State. The Reserve for Unemployment Trust at December 31, 2015 and 2014 is \$81,959 and \$76,761, respectively.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 17. DEFERRED COMPENSATION

The Township has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L. 1980, C. 78; and P.L. 1997, C. 116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Township has engaged a private contractor to administer the Plan.

NOTE 18. LENGTH OF SERVICE AWARD PROGRAM ("LOSAP") - UNAUDITED

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer firefighters and first aid squad members. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$1,150 per year of active emergency service, commencing with the year 2005.

Appropriations - Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2005.

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active volunteer member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

Criteria for Eligibility; Contributions; Points - Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active voluntary services in the emergency service organization. Annual contributions shall only be made by the Township, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility - Each emergency service organization shall provide to the Township Administrator, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as each January 1 thereafter. The Plan Administrator shall forward said certified list to the Township Committee for approval, in accordance with the provision of N.J.A.C. 5:30-14.10. The decision of the Township Committee as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2015

NOTE 18. LENGTH OF SERVICE AWARD PROGRAM (“LOSAP”) - UNAUDITED
(CONTINUED)

Terms of Participation - The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

Vesting - The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

Termination of Service - Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

Reporting Requirements - N.J.A.C. 5:30-14.49 requires that the Township perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

NOTE 19. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES

Adopted Accounting Pronouncements - For the year ended December 31, 2015, the City implemented GASB Statement No. 68 Accounting and Financial Reporting for Pensions – (Amendment to GASB Statement No. 27). The implementation of the Statements requires the City to disclose its portion of the collective net pension’s asset and liability of the New Jersey Public Employees’ Retirement System (PERS) and the New Jersey Police Firemen’s Retirement System (PFRS).

NOTE 20. SPECIAL EMERGENCY NOTES

The Township had a Special Emergency Note outstanding at December 31, 2015 in the amount of \$817,509. The notes bear an interest rate of .50% and mature on 5/13/2016. The Township’s General Capital Fund has invested in these notes. The notes were authorized on 12/6/2012 for the purpose of extraordinary expenses resulting from damage caused by Superstorm Sandy.

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 21. ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2015 consisted of intergovernmental grants, taxes and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Township's individual major and fiduciary funds, in the aggregate, are as follows:

	Current Fund	State & Federal Grant Fund	Capital Fund Fund	Sewer Utility Fund	Total
State/Federal Aid	\$ -	\$ 59,900.58	\$ 274,000.00	\$ -	\$ 333,900.58
Taxes	706,428.83	-	-	-	706,428.83
Rents	-	-	-	223,885.32	223,885.32
Other	45,228.61	-	-	-	45,228.61
Total	<u>\$ 751,657.44</u>	<u>\$ 59,900.58</u>	<u>\$ 274,000.00</u>	<u>\$ 223,885.32</u>	<u>\$ 1,309,443.34</u>

TOWNSHIP OF HOLMDEL
COUNTY OF MONMOUTH
PART II
SUPPLEMENTARY DATA
SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2015

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COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	\$ <u>1.999</u>	\$ <u>2.090</u>	\$ <u>2.059</u>
Apportionment of Tax Rate			
Municipal	.352	.370	.360
Municipal Open Space	.025	.025	.025
County	.313	.332	.333
Local School	1.309	1.363	1.341
Assessed Valuation			
2015	\$ 4,083,014,600		
2014		\$ 3,831,140,887	
2013			\$ 3,834,615,944

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash</u>	<u>Percentage</u>
2015	\$ 82,115,122	\$ 81,472,967	99.21%
2014	81,347,952	80,358,504	98.78%
2013	79,169,757	78,273,134	98.86%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years.

<u>Year Ended</u>	<u>Amount</u>	<u>Amount of</u>	<u>Total</u>	<u>Percentage</u>
<u>December 31</u>	<u>of Tax</u>	<u>Delinquent Taxes</u>	<u>Delinquent</u>	<u>of Tax Levy</u>
	<u>Title Liens</u>		<u>Total</u>	
2015	\$ 90,496	\$ 615,933	\$ 706,429	.86%
2014	80,485	897,171	977,656	1.20%
2013	69,993	607,755	677,748	.86%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties in the year of acquisition, is summarized as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 527,600
2014	527,600
2013	527,600

COMPARISON OF SEWER RENTS

<u>Year</u>	<u>Rents</u>	<u>Prior Year Delinquencies</u>	<u>Cash Collection</u>
2015	\$ 2,835,691	\$ 256,103	\$ 2,867,908
2014	2,787,655	272,106	2,803,658
2013	2,737,476	214,644	2,680,014

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>		
2015	\$ 2,787,380	\$ 2,660,000
2014	2,529,204	1,900,000
2013	1,754,069	1,497,228
2012	1,040,522	1,000,000
2011	1,779,182	1,687,000
<u>Sewer Utility Operating Fund</u>		
2015	\$ 1,769,550	\$ 333,631
2014	1,348,335	219,135
2013	743,434	213,798
2012	336,072	
2011	53	
<u>Swim Pool Utility Operating Fund</u>		
2015	\$ 120,453	\$ 119,000
2014	149,661	148,303
2013	278,196	154,478
2012	237,752	150,250
2011	191,880	150,000

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$ 20,319,673	\$ 20,331,325	\$ 22,351,580
Sewer Utility:			
Bonds, Notes and Loans	1,274,728	687,260	755,139
Assessment Bonds	92,000	108,000	160,258
Lease of School Board Guaranteed by the Township	<u>1,302,000</u>	<u>796,000</u>	<u>1,195,000</u>
	<u>22,988,401</u>	<u>21,922,585</u>	<u>24,461,977</u>
Less:			
Funds Temporarily Held to Pay Bonds:			
General Capital Fund	100,000		
Sewer Utility Assessment Fund	<u>50,869</u>	<u>53,082</u>	<u>88,114</u>
	<u>150,869</u>	<u>53,082</u>	<u>88,114</u>
Net Debt Issued	<u>22,837,532</u>	<u>21,869,503</u>	<u>24,373,863</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Notes and Loans	4,809,920	5,057,452	3,044,650
Sewer Utility:			
Bonds, Notes and Loans	<u>4,809,920</u>	<u>730,000</u>	<u>600,000</u>
	<u>4,809,920</u>	<u>5,787,452</u>	<u>3,644,650</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	\$ <u>27,647,452</u>	\$ <u>27,656,955</u>	\$ <u>28,018,513</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of .611%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 12,160,000	\$ 12,160,000	\$ -0-
General Debt	25,129,593	100,000	25,029,593
Sewer Utility Debt	<u>1,366,728</u>	<u>1,366,728</u>	<u>-0-</u>
	<u>\$ 38,656,321</u>	<u>\$ 13,626,728</u>	<u>\$ 25,029,593</u>

Net Debt \$25,029,593 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$4,094,633,602 = .611%.

BORROWING POWER UNDER N.J.S.A. 40A:2-6

3.5% of Equalized Valuation Basis	\$ 143,312,176
Net Debt	<u>25,029,539</u>
Remaining Borrowing Power	<u>\$ 118,282,637</u>

CALCULATION OF “SELF-LIQUIDATING PURPOSE” SEWER UTILITY PER N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents or Other		
Charges for Year		\$ 3,087,043
Deductions:		
Operating and Maintenance Cost	\$ 2,310,553	
Debt Service	<u>246,952</u>	
Total Deductions		<u>2,557,505</u>
Excess in Revenue - Self Liquidating		<u>\$ 529,538</u>

CALCULATION OF “SELF-LIQUIDATING PURPOSE” SWIMMING POOL UTILITY PER N.J.S.A. 40A:2-45

Cash Receipts from Fees and Other Charges		
for Year		\$ 502,793
Deductions:		
Operating and Maintenance Cost		<u>508,148</u>
Deficit in Revenue		<u>\$ (5,355)</u>

The foregoing debt information is in agreement with a revised Annual Debt Statement filed by the Chief Financial Officer.

SUPPLEMENTARY SCHEDULES

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CURRENT FUND

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TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH - TREASURER

Balance December 31, 2014		\$ 8,430,466.78
Increased by Receipts:		
Tax Collector	\$ 82,016,414.79	
State of New Jersey (Ch. 20, P.L. 1971)	89,000.00	
Revenue Accounts Receivable	3,923,842.57	
Miscellaneous Revenue not Anticipated	378,471.74	
Interfunds:		
Others	443,635.26	
Grant Fund	165,636.92	
Emergency Note Payable	817,509.00	
Petty Cash	150.00	
Change Fund	50.00	
Prepaid State Aid	5,076.00	
Spending Reserves	53,247.03	
Cancel Other Trust Fund Balances	162.61	
Due to State for Fees Collected	32,461.00	
		<u>87,925,656.92</u>
		<u>96,356,123.70</u>
Decreased by Disbursements:		
Budget Appropriations	18,624,849.60	
Appropriation Reserves	327,425.78	
Accounts Payable	4,763.26	
Tax Overpayments	121,814.42	
County Taxes Payable	13,000,141.49	
Local School District Tax	52,829,213.00	
Emergency Note Payable	1,646,522.00	
Interfunds:		
Others	1,601,670.75	
Grant Fund	513,583.87	
Petty Cash	150.00	
Change Fund	50.00	
Spending Reserves	39,882.99	
Due to State for Fees Collected	31,616.00	
		<u>88,741,683.16</u>
Balance December 31, 2015		\$ <u><u>7,614,440.54</u></u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-5

SCHEDULE OF CASH - TAX COLLECTOR

Balance December 31, 2014		\$	806,205.62
Increased by Receipts:			
Taxes Receivable	\$ 81,756,099.09		
Interest and Costs on Taxes	177,363.25		
Delinquent Penalty and Interest	39,543.77		
Tax Overpayments	24,556.92		
Prepaid Taxes	411,079.71		
			<u>82,408,642.74</u>
			<u>83,214,848.36</u>
Decreased by Disbursements:			
Turnover to Treasurer			<u>82,016,414.79</u>
Balance December 31, 2015		\$	<u><u>1,198,433.57</u></u>

SCHEDULE OF DUE FROM STATE OF NEW JERSEY

(CHAPTER 20, P.L. 1971)

Exhibit A-6

Balance December 31, 2014		\$	(2,442.94)
Increased by:			
2015 Senior Citizens and Veterans Exemptions per Tax Duplicate	\$ 87,000.00		
2015 Deductions Disallowed by Tax Collector	(1,500.00)		
2015 Deductions Allowed by Tax Collector	3,250.00		
			<u>88,750.00</u>
			<u>86,307.06</u>
Decreased by:			
Receipts			<u>89,000.00</u>
Balance December 31, 2015		\$	<u><u>(2,692.94)</u></u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-7

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2014	Levy	Collections		Due from State	Transferred to Liens	Cancelled	Balance Dec. 31, 2015
			2014	2015				
2012	\$ 72.37	\$	\$	\$	\$	\$	\$ 72.37	\$
2013	18.38			825,554.54			18.38	
2014	897,080.61			825,554.54			71,526.07	
	<u>897,171.36</u>	82,115,121.74	297,025.04	81,087,191.97	88,750.00	10,010.98	71,616.82	615,932.81
2015							16,210.94	
	<u>\$ 897,171.36</u>	<u>\$ 82,115,121.74</u>	<u>\$ 297,025.04</u>	<u>\$ 81,912,746.51</u>	<u>\$ 88,750.00</u>	<u>\$ 10,010.98</u>	<u>\$ 87,827.76</u>	<u>\$ 615,932.81</u>

Receipts
Overpayments Applied

\$ 81,756,099.09
156,647.42

\$ 81,912,746.51

Analysis of 2015 Property Tax Levy

Tax Yield:
General Purpose Tax \$ 81,619,465.29
Added and Omitted Taxes 495,656.45

\$ 82,115,121.74

Tax Levy:
Local District School Tax (Abstract)
Local Open Space Tax
County Taxes:
County Tax (Abstract) \$ 11,215,462.96
County Library Tax (Abstract) 739,153.75
County Health Tax (Abstract) 222,010.07
County Open Space Tax (Abstract) 618,193.24
Due County for Added and Omitted Taxes 78,878.56

Total County Taxes
Local Tax for Municipal Purposes 14,354,244.54
Additional Tax Levied 420,611.39

\$ 53,442,774.00
1,023,793.23

12,873,698.58

14,774,855.93

\$ 82,115,121.74

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-8

SCHEDULE OF TAX TITLE LIENS

Balance December 31, 2014	\$ 80,485.04
Increased by:	
Transfers from Taxes Receivable	<u>10,010.98</u>
Balance December 31, 2015	<u><u>\$ 90,496.02</u></u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-9

SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-55

<u>Date Authorized</u>	<u>Improvement Description</u>	<u>Net Amount Authorized</u>	<u>1/5 of</u>	<u>Net Amount Authorized</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Budget Appropriation</u>	<u>Portion of Emergency Cancelled</u>	<u>Balance Dec. 31, 2015</u>
2012	Superstorm Sandy	\$ 3,000,000.00		\$ 600,000.00	\$ 1,646,522.00	\$ 829,013.95	\$ 628,877.91	\$ 188,630.14

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-10

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Accrued</u> <u>in 2015</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
	\$	\$	\$	\$
Alcoholic Beverage Licenses		14,694.00	14,694.00	
Construction Code Official		577,888.00	577,888.00	
Municipal Court Fines and Costs	45,810.52	859,759.28	871,875.10	33,694.70
Other:				
Cable Television Franchise Fees		225,902.14	225,902.14	
FEMA Reserve		829,013.95	829,013.95	
Fire Registrations		85,189.00	85,189.00	
Fund Balance - Assessment Trust Fund		451.66	451.66	
Fund Balance - General Capital Fund		1,250.15	1,250.15	
Rental Revenue		137,758.92	137,758.92	
State Aid:				
Consolidated Municipal Property Tax Relief		3,202.00	3,202.00	
Energy Receipts Taxes		1,982,155.00	1,982,155.00	
Watershed Moratorium Offset Aid		5,076.00	5,076.00	
Uniform Fire Safety Act		25,178.41	25,178.41	
	\$ 45,810.52	\$ 4,747,518.51	\$ 4,759,634.33	\$ 33,694.70
Reserve for Watershed Moratorium Offset Aid			5,076.00	
Reserve for FEMA			829,013.95	
Receipts			3,923,842.57	
Interfunds			1,701.81	
			\$ 4,759,634.33	

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

Exhibit A-11
Sheet 1 of 4

<u>OPERATIONS WITHIN CAPS</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Administrative and Executive					
Salaries and Wages	\$ 3.22	\$	\$ 3.22		\$ 3.22
Governing Body	3,255.49		3,255.49		3,255.49
Administrator's Office	20,261.35		20,261.35		20,261.35
Municipal Clerk's Office	18,386.55	11,115.06	29,501.61	9,880.77	19,620.84
Other Expenses					
Elections					
Other Expenses	3,040.03		3,040.03		3,040.03
Financial Administration					
Salaries and Wages	150.09	300.00	150.09	40.00	150.09
Other Expenses	2,773.54		3,073.54		3,033.54
Collection of Taxes					
Salaries and Wages	1,914.48		1,914.48		1,914.48
Other Expenses	710.42		710.42		710.42
Assessment of Taxes					
Salaries and Wages	100.88		100.88		100.88
Other Expenses:					
Cost of Tax Map					
Miscellaneous	5,000.00		5,000.00		5,000.00
Legal Services and Costs	41,253.74		41,253.74	27,783.00	13,470.74
Other Expenses	22,188.81		22,188.81	12,761.14	9,427.67
Engineering Services and Costs					
Other Expenses	14,591.69		14,591.69	14,591.69	
Public Building and Grounds					
Other Expenses	2,018.50	21,273.46	23,291.96	11,391.32	11,900.64
Planning Board					
Salaries and Wages	6,348.27		6,348.27		6,348.27
Other Expenses	6,564.00	251.25	6,815.25	2,442.50	4,372.75
Zoning Board of Adjustment					
Other Expenses	9,676.20		9,676.20		9,676.20

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-11

SCHEDULE OF APPROPRIATION RESERVES

Sheet 2 of 4

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Shade Tree Committee	\$ 90.00	\$	\$ 90.00	\$	\$ 90.00
Other Expenses					
Environmental Commission	310.00		310.00		310.00
Other Expenses					
Township Planner					
Other Expenses	442.50		442.50	260.00	182.50
Insurance					
Group Insurance Plan for Employees	5,827.86		5,827.86		5,817.86
Other Insurance Premiums	4,726.54		4,726.54	10.00	4,726.54
Aid to Volunteer Fire Companies					
Holmdel Fire Co. No. 1		6,804.50	6,804.50	6,569.00	235.50
Police					
Salaries and Wages	122,583.83		106,583.83		106,583.83
Other Expenses	13,133.88	19,935.48	33,069.36	22,555.58	10,513.78
Computer System Administrator	83.50		83.50		83.50
Capital Lease Obligations					
Interest	.89		.89		.89
Emergency Management					
Other Expenses	2.25	7,680.05	7,682.30	7,680.05	2.25
Fire Hydrant Service	473.92	9,635.60	10,109.52	9,635.60	473.92
Public Defender					
Other Expenses	1,700.00		1,700.00	600.00	1,100.00
Municipal Court					
Salaries and Wages	2,157.70		2,157.70		2,157.70
Other Expenses	2,646.15	357.75	3,003.90	1,443.85	1,560.05
Road Repairs and Maintenance					
Salaries and Wages	78,999.71		78,999.71		78,999.71
Other Expenses	3,639.46	51,411.28	57,130.74	50,077.32	7,053.42
Recycling					
Salaries and Wages	2,500.25		2,500.25		2,500.25
Other Expenses	10,154.50	3,633.13	13,787.63	3,633.09	10,154.54

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2014</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Garbage and Trash	\$	\$ 13,845.13	\$ 13,845.13	\$ 1,405.52	\$ 12,439.61
Other Expenses					
Central Repair Facility	7,490.18		7,490.18		7,490.18
Salaries and Wages	3,632.91	51,294.01	54,926.92	24,002.75	30,924.17
Other Expenses					
Snow Removal	46,552.05		46,552.05	46,552.05	
Other Expenses					
Parks and Playgrounds	10,046.88		10,046.88		10,046.88
Salaries and Wages	3,885.94	15,606.28	19,492.22	15,225.78	4,266.44
Other Expenses					
Expenses in Participation in Free County Library	2,843.07		2,843.07	1,818.06	1,025.01
Other Expenses					
Construction Official	1,758.77		1,758.77		1,758.77
Salaries and Wages	2,386.82	32,808.00	35,194.82	22,807.75	12,387.07
Other Expenses					
Uniform Fire Safety Act	2.24		2.24		2.24
Salaries and Wages	609.46	5,218.77	5,828.23	5,218.62	609.61
Other Expenses					
Utilities:					
Electricity	2,297.26	10,423.83	21,464.09	21,269.25	194.84
Street Lighting	10,000.00		15,177.00	15,176.39	.61
Telephone and Telegraph	13,152.98	35.58	13,188.56	35.58	13,152.98
Water	1,567.49	636.06	2,203.55	2,203.55	
Natural Gas	4,960.96	3,114.63	8,075.59	8,075.59	
Gasoline	8,449.20	13,425.82	21,875.02	13,425.82	8,449.20
Condo Services Act	9,298.00	8,333.00	17,631.00	16,995.00	636.00
Contingent	10,000.00		10,000.00		10,000.00
Total Operations within Caps	<u>546,644.41</u>	<u>287,138.67</u>	<u>833,783.08</u>	<u>375,566.62</u>	<u>458,216.46</u>

Exhibit A-11

Sheet 3 of 4

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-11

SCHEDULE OF APPROPRIATION RESERVES

Sheet 4 of 4

STATUTORY EXPENDITURES WITHIN CAPS

Contribution to:

Public Employees' Retirement System
 Social Security System (O.A.S.I.)
 Police and Firemen's Retirement System of N.J.
 Defined Contribution Retirement Plan
 Total Appropriations within Caps

	<u>Balance Dec. 31, 2014</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	\$.96	\$.96	\$.96
	14,523.60	\$	14,523.60	\$	14,523.60
	.32		.32		.32
	740.54		740.54	332.30	408.24
	<u>561,909.83</u>	<u>287,138.67</u>	<u>849,048.50</u>	<u>375,898.92</u>	<u>473,149.58</u>

OPERATIONS EXCLUDED FROM CAPS

Length of Service Awards Program
 Fire Department
 Interlocal Agreements
 Monmouth County 9-1-1 Network
 Total Operations excluded from Caps

	1,000.00		1,000.00		1,000.00
	1,697.79		1,697.79		1,697.79
	<u>2,697.79</u>		<u>2,697.79</u>		<u>2,697.79</u>
	\$ 564,607.62	\$ 287,138.67	\$ 851,746.29	\$ 375,898.92	\$ 475,847.37

Total General Appropriations

Disbursements
 Interfund - Other Trust Fund
 Accounts Payable

	\$ 327,425.78
	46,552.05
	<u>1,921.09</u>
	<u>\$ 375,898.92</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-12

SCHEDULE OF COUNTY TAXES PAYABLE

Balance December 31, 2014		\$ 205,321.47
Increased by:		
County Tax	\$ 11,215,462.96	
County Library Tax	739,153.75	
County Health Tax	222,010.07	
County Open Space Tax	618,193.24	
Added and Omitted Taxes	<u>78,878.56</u>	
		<u>12,873,698.58</u>
		13,079,020.05
Decreased by:		
Payments		<u>13,000,141.49</u>
Balance December 31, 2015		\$ <u><u>78,878.56</u></u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-13

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Balance December 31, 2014:		
School Tax Payable	\$ 960,711.50	
School Tax Deferred	<u>25,147,112.98</u>	
		\$ 26,107,824.48
Increased by:		
Levy - School Year July 1, 2015 to June 30, 2016		<u>53,442,774.00</u>
		<u>79,550,598.48</u>
Decreased by:		
Payments		<u>52,829,213.00</u>
Balance December 31, 2015:		
School Tax Payable	1,574,272.50	
School Tax Deferred	<u>25,147,112.98</u>	
		\$ <u>26,721,385.48</u>
2015 Liability for Local District School Tax:		
Tax Paid		\$ 52,829,213.00
Tax Payable December 31, 2015		<u>1,574,272.50</u>
		<u>54,403,485.50</u>
Less: Tax Payable December 31, 2014		<u>960,711.50</u>
Amount Charged to 2015 Operations		\$ <u>53,442,774.00</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

SCHEDULE OF SPENDING RESERVES

Exhibit A-14

	Total (Memo Only)	Cell Tower Lease	Tax Appeals	Superstorm Sandy	Shade Tree Donations
Balance December 31, 2014	\$ 1,159,703.27	\$ 14,854.14	\$ 504,303.34	\$ 628,877.91	\$ 11,667.88
Increased by:					
Receipts	53,247.03	53,247.03			
Total Increases and Balances	<u>1,212,950.30</u>	<u>68,101.17</u>	<u>504,303.34</u>	<u>628,877.91</u>	<u>11,667.88</u>
Decreased by:					
Disbursements	39,882.99	39,882.99			
Balance Cancelled	628,877.91			628,877.91	
Total Decreases	<u>668,760.90</u>	<u>39,882.99</u>		<u>628,877.91</u>	
Balance December 31, 2015	\$ <u>544,189.40</u>	\$ <u>28,218.18</u>	\$ <u>504,303.34</u>	\$	\$ <u>11,667.88</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-15

SCHEDULE OF INTERFUNDS

	<u>Total</u>	<u>Assessment</u>	<u>Animal</u>	<u>Trust</u>	<u>General</u>	<u>Operating</u>	<u>Sewer Utility</u>
(Memo Only)	<u>Trust Fund</u>	<u>Trust Fund</u>	<u>Control</u>	<u>Other</u>	<u>Capital</u>	<u>Fund</u>	<u>Assessment</u>
\$	\$	\$	\$	\$	\$	\$	\$
Balance December 31, 2014 - Due From/(Due To)	1,601,670.75	6,314.84	6,314.84	1,563,127.91	32,228.00	542,447.59	1,400.00
Increased by:							
Disbursements	451.66	451.66					
Revenue Anticipated in Current Fund Budget:	1,250.15				1,250.15		
Fund Balance - Assessment Trust Fund	1,603,372.56	451.66	6,314.84	1,563,127.91	33,478.15		
Fund Balance - General Capital Fund	996,383.88	6,179.77	(19,805.87)	454,120.31	12,042.08	542,447.59	1,400.00
Total Increases and Balances	443,635.26		12,454.20	420,389.13	10,791.93		
Decreased by:	1,023,793.23			1,023,793.23			
Receipts	100,000.00				100,000.00		
Open Space Tax Due to Other Trust Fund	46,552.05			46,552.05			
Budget Appropriations	1,613,980.54		12,454.20	1,490,734.41	110,791.93		
Appropriation Reserves							
Total Decreases	\$ (617,596.66)	\$ 6,179.77	\$ (32,260.07)	\$ (1,036,614.10)	\$ (98,749.85)	\$ 542,447.59	\$ 1,400.00
Balance December 31, 2015 - Due From/(Due To)							

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-16

SCHEDULE OF INTERFUND

GRANT FUND

Balance December 31, 2014 - Due To		\$ 541,413.23
Increased by:		
Receipts:		
Revenues Received by Current	\$ 165,636.92	
Cancel Grants Receivable	8,337.15	
Transferred from 2015 Budget Appropriations	<u>187,587.65</u>	
		<u>361,561.72</u>
		<u>902,974.95</u>
Decreased by:		
Disbursements:		
Grant Expenditures	513,583.87	
Cancel Appropriated Reserves	9,378.13	
2015 Budget Revenue	<u>176,227.65</u>	
		<u>699,189.65</u>
Balance December 31, 2015 - Due To		\$ <u><u>203,785.30</u></u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-17

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

GRANT FUND

<u>Grant</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Budget Revenue</u>	<u>Realized</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2015</u>
2015 Grant Awards:					
Alcohol Education and Rehabilitation	\$	471.47	\$ 471.47	\$	\$
Bullet Proof Vest Program		4,665.39			4,665.39
Body Armor Grant - 2015		3,867.77	3,867.77		
Body Armor Grant		5,728.13		5,728.13	
Clean Communities Program		44,153.77	44,153.77		
Click It or Ticket		4,000.00	2,800.00	1,200.00	
DWI - Saturation Point		10,000.00			10,000.00
Drive Sober or Get Pulled Over		5,000.00	4,200.00	800.00	
Library Design Grant		25,000.00	25,000.00		
Municipal Alliance Grant		43,760.00			43,760.00
Recycling Tonnage Grant		27,901.12	27,901.12		
2014 Grant Awards:					
Bullet Proof Vest Program	1,957.41		482.22		1,475.19
Drive Sober or Get Pulled Over	7,500.00		5,850.00	1,650.00	
Municipal Alliance Grant	42,080.00	1,680.00	43,760.00		
2013 Grant Awards:					
Bullet Proof Vest Program	2,832.71		3,869.19	(1,036.48)	
2011 Grant Awards:					
Bullet Proof Vest Program	3,276.88		3,281.38	(4.50)	
	<u>\$ 57,647.00</u>	<u>\$ 176,227.65</u>	<u>\$ 165,636.92</u>	<u>\$ 8,337.15</u>	<u>\$ 59,900.58</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-18

SCHEDULE OF APPROPRIATED RESERVES

Sheet 1 of 3

GRANT FUND

<u>Grant</u>	<u>Balance</u> Dec. 31, 2014	<u>Transfer from</u> 2015 Budget Appropriation	<u>Reserve for</u> Encumbrances	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> Dec. 31, 2015
2015 Grant Awards:	\$	\$	\$	\$	\$	\$
Alcohol Education and Rehabilitation		471.47				471.47
Bullet Proof Vest Program		4,665.39				4,665.39
Body Armor Grant - 2015		3,867.77				3,867.77
Body Armor Grant		5,728.13			5,728.13	
Clean Communities Program		44,153.77		11,038.44		33,115.33
Click It or Ticket		4,000.00		2,800.00	1,200.00	
DWI - Saturation Point		10,000.00		600.00		9,400.00
Drive Sober or Get Pulled Over		5,000.00		4,200.00	800.00	
Library Design Grant		25,000.00		8,082.82		16,917.18
Municipal Alliance Grant		54,700.00		14,020.67		40,679.33
Recycling Tonnage Grant		27,901.12		6,975.28		20,925.84
2014 Grant Awards:						
Alcohol Education and Rehabilitation	768.04					768.04
Bullet Proof Vest Program	1,957.41			482.14		1,475.27
Body Armor Grant - 2013	4,838.27					4,838.27
Body Armor Grant - 2014	3,705.35					3,705.35
Clean Communities Program	36,342.11			16,060.80		20,281.31
Comcast Technology Grant	20,011.62			11,914.59		8,097.03
Drive Sober or Get Pulled Over	6,900.00			5,250.00		
Drunk Driving Enforcement Fund	14,307.55			13,711.81		595.74
Middletown Road Improvement	350,000.00			350,000.00		
Municipal Alliance Grant	39,844.37	2,100.00		41,944.37		
2013 Grant Awards:						
Bullet Proof Vest Program	3,106.35					3,106.35
Clean Communities Program	14,362.08		3,670.09			17,564.80

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-18

SCHEDULE OF APPROPRIATED RESERVES

Sheet 2 of 3

GRANT FUND

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Transfer from</u> <u>2015 Budget</u> <u>Appropriation</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
2013 Grant Awards (Continued):						
Drunk Driving Enforcement Fund	\$ 2,153.05	\$		\$ 2,153.05		\$ 10,134.27
Recycling Tonnage Grant	19,487.46			9,353.19		
2012 Grant Awards:						
Alcohol Education and Rehabilitation	1,834.74					1,834.74
Body Armor Fund	3,431.18			3,240.41		190.77
Clean Communities Program	7,206.27		16.40	7,222.67		
Drunk Driving Enforcement Fund	1,290.86			1,290.86		
Recycling Tonnage Grant	6,133.48		1,000.00	6,233.48		900.00
2011 Grant Awards:						
Clean Communities Program	18,431.11			17,751.19		679.92
Recycling Tonnage Grant	8,492.07			433.34		8,058.73
2010 Grant Awards:						
Alcohol Education and Rehabilitation	1,960.65					1,960.65
Body Armor Fund	3,634.32					3,634.32
Clean Communities Program	6,770.53			6,770.53		
2009 Grant Awards:						
Alcohol Education and Rehabilitation	1,392.29					1,392.29
Body Armor Fund	348.15			348.15		
Cops in Shops	1,600.00					1,600.00
Friends of Holmdel Library	544.92					544.92
Prior Grants:						
Alcohol Education and Rehabilitation	481.28					481.28
Comcast Cable	1,130.00					1,130.00
EMELA Grant	5,000.00					5,000.00
Federal Library	417.18			417.18		

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-18

SCHEDULE OF APPROPRIATED RESERVES

Sheet 3 of 3

GRANT FUND

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Transfer from</u> <u>2015 Budget</u> <u>Appropriation</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Grant						
Prior Grants (Continued):						
Milkbone Grant	\$ 155.05	\$	\$			\$ 155.05
Monmouth County SPCA	2,000.00					2,000.00
Smart Growth Planning	4,336.00					4,336.00
	<u>\$ 594,373.74</u>	<u>\$ 187,587.65</u>	<u>\$ 4,686.49</u>	<u>\$ 562,966.12</u>	<u>\$ 9,378.13</u>	<u>\$ 214,303.63</u>
Interfund - Current Fund				\$ 513,583.87		
Reserve for Encumbrances				<u>49,382.25</u>		
				<u>\$ 562,966.12</u>		

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TRUST FUND

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TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

TRUST FUNDS

Exhibit B-2

SCHEDULE OF CASH

	<u>Assessment Trust</u>	<u>Other Trust</u>
Balance December 31, 2014	\$ 111,948.27	\$ 6,299,581.26
Increased by Receipts:		
Assessment Refunds	\$ 6,258.54	
Miscellaneous Reserves	<u>6,258.54</u>	<u>5,988,592.07</u>
	118,206.81	12,288,173.33
Decreased by Disbursements:		
Assessment Refunds	62,585.00	
Interfunds		1,295.87
Miscellaneous Reserves	<u>62,585.00</u>	<u>6,100,812.45</u>
Balance December 31, 2015	\$ <u>55,621.81</u>	\$ <u>6,187,360.88</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

ASSESSMENT TRUST FUND

Exhibit B-3

ANALYSIS OF CASH

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Receipts</u> <u>Miscellaneous</u>	<u>Disbursed</u> <u>Miscellaneous</u>	<u>Transfers</u> <u>From</u> <u>To</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Assessment Refunds	\$ 105,768.50	\$ 6,258.54	\$ 62,585.00		\$ 49,442.04
Fund Balance	451.66			451.66	6,179.77
Interfund - Current Fund	<u>5,728.11</u>				
	\$ 111,948.27	\$ 6,258.54	\$ 62,585.00	\$ 451.66	\$ 55,621.81

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

ANIMAL CONTROL TRUST FUND

Exhibit B-4

SCHEDULE OF RESERVE FOR ANIMAL CONTROL

TRUST FUND EXPENDITURES

Balance December 31, 2014		\$ 20,791.51
Increased by:		
Fees Collected in 2015	\$ 11,339.40	
Prepaid Fees Applied	<u>4,905.60</u>	
		<u>16,245.00</u>
		37,036.51
Decreased by:		
Expenditures Under R.S. 4:19-15.11		<u>5,033.84</u>
Balance December 31, 2015		<u>\$ 32,002.67</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2013	\$ <u>19,134.00</u>
2014	<u>19,050.20</u>
	<u>\$ 38,184.20</u>

SCHEDULE OF DUE STATE OF NEW JERSEY

Exhibit B-5

Balance December 31, 2014	\$ 423.60
Increased by:	
Fees Collected	<u>862.80</u>
	1,286.40
Decreased by:	
Payments to State of New Jersey	<u>1,281.00</u>
Balance December 31, 2015	<u>\$ 5.40</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

ANIMAL CONTROL TRUST FUND

Exhibit B-6

SCHEDULE OF INTERFUND - CURRENT FUND

Balance December 31, 2014 - Due From		\$	26,120.71
Increased by:			
Animal License Fees	\$	11,339.40	
Prepaid Licenses		252.00	
State Dog License Fees		862.80	
			<u>12,454.20</u>
			<u>38,574.91</u>
Decreased by:			
Expenditures Under R.S. 4:19-15-11		5,033.84	
Payments to State of New Jersey		1,281.00	
			<u>6,314.84</u>
Balance December 31, 2015 - Due From		\$	<u><u>32,260.07</u></u>

OTHER TRUST FUND

SCHEDULE OF INTERFUND - CURRENT FUND

Exhibit B-7

Balance December 31, 2014 - Due From		\$	1,109,007.60
Increased by:			
Disbursements	\$	1,295.87	
Miscellaneous Reserves		1,489,438.54	
			<u>1,490,734.41</u>
			<u>2,599,742.01</u>
Decreased by:			
Miscellaneous Reserves			<u>1,563,127.91</u>
Balance December 31, 2015 - Due From		\$	<u><u>1,036,614.10</u></u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

OTHER TRUST FUND

Exhibit B-8

SCHEDULE OF MISCELLANEOUS RESERVES

Reserve for	Balance Dec. 31, 2014	Increased by		Decreased by		Balance Dec. 31, 2015
		Receipts	Interfunds	Disbursed	Interfunds	
Board of Recreation:						
Facility Deposits	\$ 18,200.00	\$ 14,650.00	\$	\$ 22,600.00	\$	\$ 10,250.00
Programs	158,083.93	273,466.00		240,763.29		190,786.64
Cash Bonds:						
Developers	60,309.69		5,150.00		18,139.40	47,320.29
Maintenance	89,781.94	8.25				89,790.19
Performance	1,631,534.79	293,599.58		335,124.60		1,590,009.77
Engineering Fees:						
Maintenance	56,825.59	9,198.30		975.80		65,048.09
Performance	433,467.98	48,558.92		41,764.69		440,262.21
Escrow:						
Planning Board	133,083.92	211,485.99		227,363.86		117,206.05
Zoning Board	33,569.39	58,996.40		43,343.15		49,222.64
Fair Share Housing Trust	3,208,780.18	124,532.80		251,151.27		3,082,161.71
Federal Law Enforcement	9,896.02			6,453.54		3,442.48
Holmdel Helps	1,842.01			1,842.01		
Municipal Alliance	8,615.58	1,969.50		4,216.09		6,368.99
Off-Site Contributions	336,140.59	112,483.91		109,643.45		338,981.05
Open Space			1,023,793.23		1,023,793.23	
Parking Offenses Adjudication Act	1,354.00		158.00			1,512.00
Payroll and Deductions Payable	5,778.26	4,433,722.43		4,437,698.37		1,802.32
Police Special Duty	3,781.02		219,047.26		212,895.28	9,933.00
Premium on Tax Sale	977,900.00	189,400.00			305,800.00	861,500.00
Public Defender	14,885.38	10,342.33		15,950.00		9,277.71
Recycling	49,362.55		5,338.00		2,500.00	52,200.55
Special Law Enforcement Fund	69,540.20	10,500.58		2,114.45		77,926.33
Storm Recovery Trust	313.51		46,552.05			46,865.56
Third Party Liens	2,234.94	341,042.43		319,513.00		23,764.37
Third Party UCC Fees	26,384.00					26,384.00
Unemployment Compensation Insurance	76,760.78	44,034.65		38,836.40		81,959.03
911 Memorial Fund	162.61			162.61		
	\$ 7,408,588.86	\$ 5,988,592.07	\$ 1,489,438.54	\$ 6,099,516.58	\$ 1,563,127.91	\$ 7,223,974.98

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

LENGTH OF SERVICE AWARDS PROGRAM FUND

Exhibit B-9

SCHEDULE OF RESERVE FOR LENGTH OF

SERVICE AWARDS PROGRAM (LOSAP)

(UNAUDITED)

Balance December 31, 2014		\$ 601,231.47
Increased by:		
Township Contributions to Trustee	\$ 66,700.00	
Earnings on Contributions	<u>4,268.35</u>	
		<u>70,968.35</u>
Decreased by:		
Distributions	39,508.66	
Plan Administration Charges	<u>2,754.06</u>	
		<u>42,262.72</u>
Balance December 31, 2015		<u><u>\$ 629,937.10</u></u>

GENERAL CAPITAL FUND

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TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-2

SCHEDULE OF CASH

Balance December 31, 2014		\$ 361,055.66
Increased by Receipts:		
Deferred Charges to Future Taxation - Unfunded	\$ 273,994.30	
Developers Contribution for Ordinance	300,000.00	
Interfunds	232,228.00	
Bond Anticipation Notes	2,068,537.00	
M.C.I.A. Clearing	145,437.60	
Reserve for Curbs and Sidewalks	61,912.50	
		<u>3,082,109.40</u>
		<u>3,443,165.06</u>
Decreased by Disbursements:		
Interfunds	10,791.93	
Improvement Authorizations	3,102,134.22	
M.C.I.A. Clearing	72,908.85	
		<u>3,185,835.00</u>
Balance December 31, 2015		\$ <u><u>257,330.06</u></u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-3

ANALYSIS OF CAPITAL CASH

	Balance Dec. 31, 2014 \$	Receipts		Disbursements		Transfers		Balance Dec. 31, 2015 \$
		Notes Issued \$	Miscellaneous \$	Improvement Authorizations \$	Miscellaneous \$	From \$	To \$	
Fund Balance	1,765.37							515.22
Capital Improvement Fund	21,311.40							16,311.40
Interfunds:								
Current Fund	(21,436.07)		32,228.00		10,791.93		1,250.15	(98,749.85)
Sewer Utility Operating Fund			200,000.00					200,000.00
Grants Receivable	(100,000.00)							(274,000.00)
Reserve for:								
Curbs and Sidewalks	69,023.08		61,912.50					130,935.58
Encumbrances	724,941.95							2,474,903.12
M.C.I.A. Clearing	(110,879.25)		145,437.60		72,908.85			(38,350.50)
Excess Borrowing on Ordinance 2013-04								100,000.00
Improvement Authorizations:								
General Improvements:								
2000-20,								
2007-13	(132,175.80)		32,228.00					(99,947.80)
2002-11	15,637.68			15,637.68				
2003-18	460.00			460.00				
2003-20	(733,332.25)		141,766.30	9,875.00				(591,565.95)
2004-06	26,189.75			7,642.80			12,000.00	18,546.95
2004-11								
2004-15	4,533.75			2,719.90				4,533.75
2005-31	2,719.90			533.55				
2006-16	533.55							
the Acquisition of Replacement Equipment and Machinery	194,070.65			15,215.59				178,855.06
Various Capital Improvements	218.05			218.05				
Various Capital Improvements	35,503.75			292.82			5,000.00	30,210.91
Various Capital Improvements	209,534.13			162,450.71			95,500.09	1,730.06
Road and Drainage Improvements	1,297.18						1,297.18	
Various Capital Improvements	(20,838.70)			(17,355.71)			4,073.48	590.49
Road and Drainage Improvements	95,386.52			17,137.34			77,635.88	613.30
Various Capital Improvements	424,139.78			4,068.61			525,306.09	
Various Capital Improvements	226,441.58		100,000.00	140,907.66			138,680.24	
Various Capital Improvements	(727,963.69)	2,068,537.00		2,031,387.23			183,090.78	(273,564.20)
Forest Grove Improvements			300,000.00	261,725.10			600,340.50	38,274.90
Various Capital Improvements				448,821.14			1,536,267.86	(1,706,089.00)
Local Improvements:								
Water System Improvements	80,612.00							80,612.00
Installation of Water Mains in the Stillwell Road Area	73,361.37			396.75			10,000.00	62,964.62
	361,055.66	2,068,537.00	1,013,572.40	3,102,134.22	83,700.78		3,680,095.22	257,330.06

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE

TAXATION - FUNDED

Balance December 31, 2014		\$ 14,187,358.71
Decreased by:		
2015 Budget Appropriation to Pay:		
Serial Bonds	\$ 1,432,468.00	
Green Trust Loans	35,103.51	
Infrastructure Trust Loan	80,000.00	
Infrastructure Fund Loan	<u>72,605.31</u>	
		<u>1,620,176.82</u>
Balance December 31, 2015		\$ <u><u>12,567,181.89</u></u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-5

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Paid by Budget Appropriation	Cancelled	Balance Dec. 31, 2015	Analysis of Balance		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
General Improvements:									
2000-20, 2007-13	Various Capital Improvements	\$ 132,772.00	\$	\$ 32,228.00	\$	\$ 100,544.00	\$	\$ 99,947.80	\$ 596.20
2003-20	Acquisition of Real Estate	2,148,999.66		141,766.30		2,007,233.36		591,565.95	1,415,667.41
2004-11	Acquisition of Historical Easement	104,500.00				104,500.00			104,500.00
2008-28	Various Capital Improvements	187,037.00		187,037.00					
2009-15	Various Capital Improvements	1,135,129.00		195,000.00		940,129.00			
2010-33	Various Capital Improvements	650,000.00		32,975.00	100,000.00	517,025.00			
2011-12	Road and Drainage Improvements	835,000.00		45,000.00		790,000.00			
2013-04	Various Capital Improvements	1,523,800.00		100,000.00		1,423,800.00			
2013-09	Various Capital Improvements	1,580,000.00				1,580,000.00			
2014-14, 2014-23	Various Capital Improvements	2,571,180.00	2,095,000.00			2,571,180.00	2,068,537.00	273,564.20	229,078.80
2015-10	Various Capital Improvements					2,095,000.00		1,706,089.00	388,911.00
Local Improvements:									
2013-34	Installation of Water Mains in the Stillwell Road Area	333,000.00				333,000.00			
		<u>\$ 11,201,417.66</u>	<u>\$ 2,095,000.00</u>	<u>\$ 734,006.30</u>	<u>\$ 100,000.00</u>	<u>\$ 12,462,411.36</u>	<u>\$ 7,652,491.00</u>	<u>\$ 2,671,166.95</u>	<u>\$ 2,138,753.41</u>
Bond Anticipation Notes									
							<u>\$ 7,752,491.00</u>		
							<u>100,000.00</u>		
							<u>\$ 7,652,491.00</u>		
Improvement Authorizations Unfunded									
									\$ 2,234,862.79
Less: Unfunded Proceeds of Bond Anticipation Notes:									
Ordinance Number									
2008-28	Various Capital Improvements							\$ 30,210.91	
2009-15	Various Capital Improvements							1,730.06	
2010-33	Various Capital Improvements							590.49	
2011-12	Road and Drainage Improvements							613.30	
2013-34	Installation of Water Mains in the Stillwell Road Area							62,964.62	
									<u>96,109.38</u>
									<u>\$ 2,138,753.41</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-6

SCHEDULE OF INTERFUND - CURRENT FUND

Balance December 31, 2014 - Due From	\$ 21,436.07
Increased by:	
Disbursements	10,791.93
Budget Appropriation - Capital Improvement Fund	100,000.00
Total Increases	<u>110,791.93</u>
Total Increases and Balances	<u>132,228.00</u>
Decreased by:	
Appropriated in Current Fund:	
Fund Balance	1,250.15
Receipts	32,228.00
Total Decreases	<u>33,478.15</u>
Balance December 31, 2015 - Due From	\$ <u><u>98,749.85</u></u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Exhibit C-7

Balance December 31, 2014	\$ 21,311.40
Increased by:	
Budget Appropriation	100,000.00
	<u>121,311.40</u>
Decreased by:	
Appropriations to Finance Improvement Authorizations	105,000.00
	<u>105,000.00</u>
Balance December 31, 2015	\$ <u><u>16,311.40</u></u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Exhibit C-9
Sheet 1 of 2

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2015</u>
			<u>Outstanding Dec. 31, 2015</u>	<u>Amount</u>				
General Improvements	12/21/2004	\$ 2,712,840	12/01/2016	\$ 188,760	4.00%			
			12/01/2017	196,040	4.00%			
			12/01/2018	206,440	4.00%			
			12/01/2019	213,720	4.00%			
			12/01/2020	221,000	4.00%	\$ 1,210,040.00	\$ 184,080.00	\$ 1,025,960.00
Open Space	12/21/2004	2,504,160	12/01/2016	174,240	4.00%			
			12/01/2017	180,960	4.00%			
			12/01/2018	190,560	4.00%			
			12/01/2019	197,280	4.00%			
			12/01/2020	204,000	4.00%	1,116,960.00	169,920.00	947,040.00
Refunding Bonds	3/29/2007	5,127,933	12/01/2016	430,396	5.00%			
			12/01/2017	276,805	5.00%			
			12/01/2018	290,812	5.00%			
			12/01/2019	305,486	5.00%			
			12/01/2020	322,161	4.00%			
			12/01/2021	331,499	4.00%	2,366,342.00	409,183.00	1,957,159.00
Refunding Bonds - Open Space	3/29/2007	2,560,122	12/01/2016	214,876	5.00%			
			12/01/2017	138,195	5.00%			
			12/01/2018	145,188	5.00%			
			12/01/2019	152,514	5.00%			
			12/01/2020	160,839	4.00%	1,181,398.00	204,285.00	977,113.00
			12/01/2021	165,501	4.00%			

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-9

SCHEDULE OF GENERAL SERIAL BONDS

Sheet 2 of 2

Improvement Description	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
			Outstanding Date	Amount Dec. 31, 2015				
General Improvements	12/04/2008	\$ 4,842,200	12/01/2016	\$ 240,000	4.00%			
			12/01/2017	219,650	4.00%			
			12/01/2018	229,000	5.25%			
			12/01/2019	242,750	4.50%			
			12/01/2020	254,300	4.50%			
			12/01/2021	256,500	5.00%			
			12/01/2022	256,500	5.25%			
			12/01/2023	256,500	5.00%			
			12/01/2024-25	256,500	5.125%			
			12/01/2026	256,500	5.00%			
			12/01/2027	291,500	5.00%			
			12/01/2028	221,500	5.00%	\$ 3,477,700.00	\$ 240,000.00	\$ 3,237,700.00
Open Space	12/04/2008	3,961,800	12/01/2016	225,000	4.00%			
			12/01/2017	208,350	4.00%			
			12/01/2018	216,000	5.25%			
			12/01/2019	227,250	4.50%			
			12/01/2020	236,700	4.50%			
			12/01/2021	238,500	5.00%			
			12/01/2022	238,500	5.25%			
			12/01/2023	238,500	5.00%			
			12/01/2024-25	238,500	5.125%			
			12/01/2026-28	238,500	5.00%			
						3,246,300.00	225,000.00	3,021,300.00
						\$ 12,598,740.00	\$ 1,432,468.00	\$ 11,166,272.00
General Improvements						\$ 7,054,082.00	\$ 833,263.00	\$ 6,220,819.00
Open Space Improvements						5,544,658.00	599,205.00	4,945,453.00
						\$ 12,598,740.00	\$ 1,432,468.00	\$ 11,166,272.00

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-10

SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT

AUTHORITY LEASE PAYABLE

<u>Due</u>	<u>Principal</u>	<u>Interest and Other Fees</u>
2016	\$ 509,100.00	\$ 66,800.00
2017	307,800.00	45,135.00
2018	155,000.00	30,095.00
2019	142,000.00	22,847.50
2020	106,000.00	17,070.00
2021	108,000.00	12,740.00
2022	102,000.00	8,320.00
2023	106,000.00	4,240.00
	<u>\$ 1,535,900.00</u>	<u>\$ 207,247.50</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-11

SCHEDULE OF GREEN TRUST LOAN PROGRAM PAYABLE

Sheet 1 of 2

Improvement Description	Date of Issue	Original Issue	Maturities of Loan		Interest Rate	Balance Dec. 31, 2014	Paid by Budget Appropriation	Balance Dec. 31, 2015
			Outstanding Date	Dec. 31, 2015 Amount				
Phillips/Veterans Park	5/27/2005	\$ 100,000.00	See Amortization Schedule		2.00%	\$ 58,629.37	\$ 5,070.96	\$ 53,558.41
Phillips/Veterans Park	8/01/2005	237,500.00	See Amortization Schedule		2.00%	139,244.73	12,043.53	127,201.20
Cross Farm Park	1/30/2006	350,000.00	See Amortization Schedule		2.00%	241,405.95	17,989.02	223,416.93
						\$ 439,280.05	\$ 35,103.51	\$ 404,176.54

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-11

SCHEDULE OF GREEN TRUST LOAN PROGRAM PAYABLE

Sheet 2 of 2

<u>Due</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 35,809.08	\$ 7,905.37
2017	36,528.85	7,185.62
2018	37,263.07	6,451.40
2019	38,012.06	5,702.40
2020	38,776.10	4,938.37
2021	39,555.51	4,158.96
2022	40,350.58	3,363.89
2023	41,161.61	2,552.84
2024	41,988.96	1,725.49
2025	32,339.53	881.51
2026	22,391.19	336.42
	<u>\$ 404,176.54</u>	<u>\$ 45,202.27</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

Exhibit C-12

GENERAL CAPITAL FUND

SCHEDULE OF LOANS - INFRASTRUCTURE TRUST LOAN AGREEMENT

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Outstanding</u>		<u>Interest Rates</u>	<u>Balance Dec. 31, 2014</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>
			<u>Year</u>	<u>December 31, 2015 Amount</u>				
Property Acquisition	2001	\$ 1,415,263.00	2016	\$ 85,000.00	5.00%			
			2017	90,000.00	5.00%			
			2018	90,000.00	5.00%			
			2019	95,000.00	5.00%			
			2020	100,000.00	4.75%			
			2021	105,000.00	4.75%			
						\$ 645,000.00	\$ 80,000.00	\$ 565,000.00

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-13

SCHEDULE OF LOANS - INFRASTRUCTURE FUND LOAN AGREEMENT

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Outstanding</u>		<u>Interest Rates</u>	<u>Balance Dec. 31, 2014</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>
			<u>Year</u>	<u>Amount</u>				
Property Acquisition	2001	\$ 1,415,263.00	2016	\$ 73,255.10				
			2017	73,742.43				
			2018	70,818.40				
			2019	71,143.29				
			2020	71,305.74				
			2021	71,468.39	0.00%	\$ 504,338.66	\$ 72,605.31	\$ 431,733.35

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-14

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
General Improvements:									
2008-28	Various Capital Improvements	5/19/2009	5/16/2014	5/15/2015	0.70%	\$ 187,037.00	\$	\$ 187,037.00	\$
2009-15	Various Capital Improvements	5/19/2010	5/16/2014	5/15/2015	0.70%	1,135,129.00		1,135,129.00	
2010-33	Various Capital Improvements	5/19/2011	5/16/2014	5/15/2015	0.50%	550,000.00	940,129.00	550,000.00	940,129.00
2011-12	Road and Drainage Improvements	5/19/2011	5/15/2015	5/13/2016	0.50%	517,025.00	517,025.00		517,025.00
2013-04	Various Capital Improvements	5/17/2013	5/16/2014	5/15/2015	0.70%	1,523,800.00	790,000.00	835,000.00	790,000.00
2013-09	Various Capital Improvements	12/20/2013	5/16/2014	5/15/2015	0.70%	1,580,000.00	1,523,800.00	1,580,000.00	1,523,800.00
2014-14,			5/15/2015	5/13/2016	0.50%	1,580,000.00	1,580,000.00		1,580,000.00
2014-23	Various Capital Improvements	5/15/2015	5/15/2015	5/13/2016	0.50%	2,068,537.00	2,068,537.00		2,068,537.00
Local Improvements:									
2013-34	Installation of Water Mains in the Stillwell Road Area	12/20/2013	5/16/2014	5/15/2015	0.70%	333,000.00	333,000.00	333,000.00	333,000.00
			5/15/2015	5/13/2016	0.50%				
						<u>\$ 6,143,966.00</u>	<u>\$ 7,752,491.00</u>	<u>\$ 6,143,966.00</u>	<u>\$ 7,752,491.00</u>
Note Rollovers							\$ 5,683,954.00	\$ 5,683,954.00	
Receipts							2,068,537.00		
Paid by Budget Appropriation								460,012.00	
							<u>\$ 7,752,491.00</u>	<u>\$ 6,143,966.00</u>	<u>\$ 7,752,491.00</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-15

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2015</u>
General Improvements:		
2000-20, 2007-13*	Various Capital Improvements	\$ 100,544.00
2003-20	Acquisition of Real Estate	2,007,233.36
2004-11	Acquisition of Historical Easement	104,500.00
2014-23, 2014-14*	Various Capital Improvements	502,643.00
2015-10	Various Capital Improvements	<u>2,095,000.00</u>
		<u>\$ 4,809,920.36</u>

*Amending

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SEWER UTILITY FUND

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TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY FUND

Exhibit D-7

SCHEDULE OF SEWER UTILITY CASH

	<u>Operating</u>	<u>Assessment</u>	<u>Capital</u>
Balance December 31, 2014	\$ 2,043,787.11	\$ 532.71	\$ 176,918.81
Increased by Receipts:			
Miscellaneous Revenue	\$ 33,596.81		
Interfunds		2,337.91	
Consumer Accounts Receivable	2,856,348.20		
Assessments Receivable		14,508.68	
Prepaid Rents	10,106.52		
Sewer Overpayments	54.31		
Assessment Overpayments		69.03	
Bond Anticipation Notes			<u>730,000.00</u>
	<u>2,900,105.84</u>	<u>16,915.62</u>	<u>730,000.00</u>
	<u>4,943,892.95</u>	<u>17,448.33</u>	<u>906,918.81</u>
Decreased by Disbursements:			
Budget Appropriations	2,371,570.92		
Appropriation Reserves	80,994.43		
Interfunds	200,000.00		
Accrued Interest on Bonds and Notes	12,883.00		
Sewer Overpayments	54.31		
Assessment Serial Bonds		16,000.00	
Improvement Authorizations			<u>178,476.60</u>
	<u>2,665,502.66</u>	<u>16,000.00</u>	
Balance December 31, 2015	<u>\$ 2,278,390.29</u>	<u>\$ 1,448.33</u>	<u>\$ 728,442.21</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY ASSESSMENT FUND

Exhibit D-9

ANALYSIS OF CASH

	Receipts		Disbursed Assessment Bonds	Transfers		Balance Dec. 31, 2015
	Assessments Receivable	Miscellaneous		From	To	
Fund Balance	\$ 23,092.61				\$ 721.66	\$ 721.66
Assessment Bonds:						
Ordinance 1990-49	721.66					50,868.64
Ordinance 2002-10	13,787.02		16,000.00	721.66		69.03
Overpayments of Assessments		69.03				
Interfunds:						
Current Fund					23,092.61	1,400.00
Sewer Utility Operating Fund		2,337.91				(51,611.00)
	\$ 14,508.68	\$ 2,406.94	\$ 16,000.00	\$ 23,814.27	\$ 23,814.27	\$ 1,448.33

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY OPERATING FUND

Exhibit D-10

SCHEDULE OF INTERFUNDS

	Total (Memo Only)	Current Fund	General Capital Fund	Sewer Assessment Fund	Sewer Capital Fund
Balance December 31, 2014 - Due From/(Due To)	\$ (508,642.17)	\$ (542,447.59)	\$	\$ (77,041.52)	\$ 110,846.94
Increased by:					
Anticipated Revenue	23,092.61			23,092.61	
Miscellaneous Revenue	2,337.91			2,337.91	
Disbursements	200,000.00		200,000.00		
Total Increases	<u>225,430.52</u>		<u>200,000.00</u>	<u>25,430.52</u>	
Balance December 31, 2015 - Due From/(Due To)	\$ (283,211.65)	\$ (542,447.59)	\$ 200,000.00	\$ (51,611.00)	\$ 110,846.94

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY OPERATING FUND

Exhibit D-11

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2014		\$ 256,102.55
Increased by:		
2015 Sewer Rents		<u>2,835,690.57</u>
		3,091,793.12
Decreased by:		
Collections:		
Receipts	\$ 2,856,348.20	
Prepaid Rents Applied	<u>11,559.60</u>	
		<u>2,867,907.80</u>
Balance December 31, 2015		<u>\$ 223,885.32</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY ASSESSMENT FUND

Exhibit D-12

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Due Dates</u>	<u>Balance Dec. 31, 2014</u>	<u>Collected</u>	<u>Balance Dec. 31, 2015</u>
1990-49	Design and Construction of Sanitary Sewers	9/11/1995	20	10/16/1995-14	\$ 721.66	\$ 721.66	\$
2002-10	Sewer Improvements to Lois/Woodside Subdivision	5/18/2006	15	6/17/2006-20	54,918.66	13,787.02	41,131.64
					<u>\$ 55,640.32</u>	<u>\$ 14,508.68</u>	<u>\$ 41,131.64</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY CAPITAL FUND

Exhibit D-13

SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2015
Installation of Sanitary Sewers	\$ 5,859,218.28
General Equipment, Furnishings and Other	<u>898,483.15</u>
	<u>\$ 6,757,701.43</u>

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Exhibit D-14

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance Dec. 31, 2015
General Improvements: 2013-18	Sewer Utility Improvements	\$ 1,200,000.00
Local Improvements: 2014-16	Manee Place Sanitary Sewer Extension	<u>130,000.00</u>
		<u>\$ 1,330,000.00</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY OPERATING FUND

Exhibit D-15

SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2014</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$ 1,243.34		\$ 1,243.34		\$ 1,243.34
Other Expenses	94,061.21	76,507.60	170,568.81	\$ 80,994.43	89,574.38
Statutory Expenditures:					
Contributions to:					
Social Security System	<u>967.02</u>		<u>967.02</u>		<u>967.02</u>
	<u>\$ 96,271.57</u>	<u>\$ 76,507.60</u>	<u>\$ 172,779.17</u>	<u>\$ 80,994.43</u>	<u>\$ 91,784.74</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY CAPITAL FUND

Exhibit D-16

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2014 and 2015 \$ 155,884.96

SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

Exhibit D-17

Balance December 31, 2014	\$ 2,471.23
Increased by Receipts:	
Budget Appropriations	<u>14,833.97</u>
	17,305.20
Decreased by:	
Disbursements	<u>12,883.00</u>
Balance December 31, 2015	\$ <u><u>4,422.20</u></u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY CAPITAL FUND

Exhibit D-18

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2014</u>		<u>Paid or Charged</u>	<u>Balance December 31, 2015</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>		<u>Funded</u>	<u>Unfunded</u>
2013-18	General Improvements: Sewer Utility Improvements	6/18/2013	\$ 1,200,000.00	\$	\$ 515,828.86	\$ 101,218.48	\$	\$ 414,610.38
2002-10	Local Improvements: Sewer Improvements to Lois/Woodside Subdivision	8/26/2002	250,000.00	4,713.49			4,713.49	
2014-16	Manee Place Sanitary Sewer Extension	7/15/2014	130,000.00		119,644.56	77,258.12		42,386.44
				\$ 4,713.49	\$ 635,473.42	\$ 178,476.60	\$ 4,713.49	\$ 456,996.82

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY CAPITAL FUND

Exhibit D-19

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance December 31, 2014		\$ 6,585,121.43
Increased by:		
Debt Paid by Operating Budget:		
Lease Principal	\$ 85,320.00	
Serial Bonds	<u>42,532.00</u>	
		<u>127,852.00</u>
Balance December 31, 2015		<u>\$ 6,712,973.43</u>

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY ASSESSMENT FUND

Exhibit D-20

SCHEDULE OF SEWER ASSESSMENT SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>
			<u>Date</u>				
Sewer Utility	12/21/2004	\$ 240,000.00	12/01/2016	4.00%			
			12/01/2017	4.00%			
			12/01/2018	4.00%			
			12/01/2019	4.00%			
			12/01/2020	4.00%			
					\$ 108,000.00	\$ 16,000.00	\$ 92,000.00

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY CAPITAL FUND

Exhibit D-21

SCHEDULE OF SEWER UTILITY SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2014	Paid by Budget Appropriation	Balance Dec. 31, 2015
			Outstanding Date	Dec. 31, 2015 Amount				
Refunding Bonds	3/29/2007	\$ 455,569.72	12/01/2016	\$ 44,728.00	5.00%	\$ 87,260.00	\$ 42,532.00	\$ 44,728.00

TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SEWER UTILITY CAPITAL FUND

Exhibit D-22

SCHEDULE OF BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2015</u>
2013-18	General Improvements: Sewer Utility Improvements	12/20/2013	5/16/2014	5/15/2015	0.70%	\$ 600,000.00	\$ 500,000.00	\$ 600,000.00	\$ 500,000.00
2013-18	Sewer Utility Improvements	5/15/2015	5/15/2015	5/13/2016	0.50%		600,000.00		600,000.00
2014-16	Local Improvements: Manee Place Sanitary Sewer Extension	5/15/2015	5/15/2015	5/13/2016	0.50%		130,000.00		130,000.00
						\$ 600,000.00	\$ 1,230,000.00	\$ 600,000.00	\$ 1,230,000.00
	Paid by Budget Appropriation						\$ 730,000.00	\$ 100,000.00	
	Receipts						500,000.00	500,000.00	
	Notes Rollovers						\$ 1,230,000.00	\$ 600,000.00	\$ 600,000.00

SWIM POOL UTILITY FUND

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TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SWIM POOL UTILITY OPERATING FUND

Exhibit S-4

SCHEDULE OF CASH

Balance December 31, 2014		\$ 201,678.49
Increased by Receipts:		
Swim Pool Fees	\$ 354,490.00	
Miscellaneous Revenue	<u>88,070.75</u>	
		<u>442,560.75</u>
Decreased by Disbursements:		<u>644,239.24</u>
Budget Appropriations	495,577.41	
Appropriation Reserves	<u>7,937.94</u>	
		<u>503,515.35</u>
Balance December 31, 2015		\$ <u><u>140,723.89</u></u>

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Exhibit S-5

		Balance
		<u>Dec. 31, 2015</u>
Purchase of Property and Construction of the Municipal Swim Pool Complex		\$ <u><u>823,797.92</u></u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Exhibit S-6

Balance December 31, 2014 and 2015		\$ <u><u>7,700.00</u></u>
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SCHEDULE OF RESERVE FOR AMORTIZATION

Exhibit S-7

Balance December 31, 2014 and 2015		\$ <u><u>823,797.92</u></u>
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TOWNSHIP OF HOLMDEL - COUNTY OF MONMOUTH

SWIM POOL UTILITY OPERATING FUND

Exhibit S-8

SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2014</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$ 26,265.53		\$ 26,265.53		\$ 26,265.53
Other Expenses	6,254.15	9,019.64	15,273.79	7,937.94	7,335.85
Statutory Expenditures:					
Contributions to:					
Social Security System	<u>2,777.84</u>		<u>2,777.84</u>		<u>2,777.84</u>
	<u>\$ 35,297.52</u>	<u>\$ 9,019.64</u>	<u>\$ 44,317.16</u>	<u>\$ 7,937.94</u>	<u>\$ 36,379.22</u>

**TOWNSHIP OF HOLMDEL
COUNTY OF MONMOUTH**

PART II

COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

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To the Honorable Mayor and
Members of the Township Committee
Township of Holmdel
County of Monmouth
Holmdel, New Jersey 07733

We have audited the financial statements and transactions of the Township of Holmdel in the County of Monmouth for the year ended December 31, 2015. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 for the period of January 1, 2015 to June 30, 2015, and \$40,000 for the period of July 1, 2015 to December 31, 2015, except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The compliance review of expenditures did not reveal any individual payments of contracts in excess of the statutory limit other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-4*.

A test was conducted to determine that expenditures greater than excess of \$5,400 for the period of January 1, 2015 to June 30, 2015, and in excess of \$6,000 for the period of July 1, 2015 to December 31, 2015

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4) (continued):

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-3*.

Purchases were made through the State Division of Purchases and Property and were approved by resolution of the Borough Council.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 for the period of January 1, 2015 to June 30, 2015, and in excess of \$6,000 for the period of July 1, 2015 to December 31, 2015, thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes

N.J.S.A.A54:4-67, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 6, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“NOW, THEREFORE, BE IT RESOLVED by the Mayor and Township Committee of the Township of Holmdel this 6th day of January in the year 2015, that the rate of interest for the nonpayment of taxes and other municipal charges on or before the date when they would become delinquent shall be eight percent (8%) per annum on the first \$1,500 of the delinquent shall be eight percent (18%) per annum on any amount in excess of the \$1,500; to be calculated from the date the taxes or other municipal charges were due and payable until the date of actual payment, and,

BE IT FURTHER RESOLVED that no interest shall be charged if payment of any installment is made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED that in addition to the above interest charges, any person owing charges in excess of \$10,000 at the end of the calendar year will be assessed a penalty equal to six percent (6%) of the amount of the delinquency, and

BE IT FURTHER RESOLVED that with respect to tax sale certificates, when the taxes, interest and costs shall exceed the sum of \$200 an additional sum equal to two percent (2%) shall be added to the amount to be paid; when the sum exceeds \$5,000, an additional sum equal to four percent (4%) of such amount to be

paid shall be added to the amount to be paid; and when that sum exceeds \$10,000, an additional sum equal to six percent (6%) of such amount to be paid shall be added to the amount to be paid. These charges shall apply to all existing certificates held by the municipality.”

It appears from an examination of the Collector’s records that interest was generally collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2015 included 2015, 2014, 2013, and 2012 real estate taxes.

The last tax sale was held on September 18, 2015 and was complete except for those properties in bankruptcy.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

YEAR	NUMBER OF LIENS
2015	7
2014	7
2013	7

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Municipal Court

A separate report of the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the Municipal Court records, no attempt was made to differentiate between fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Township employees.

Follow-Up of Prior Year Findings

In accordance with Government Auditing Standards our procedures included a review of all prior year audit findings. All Findings from the prior year that were not corrected in the current year are addressed with an asterisk.

Findings/Recommendations

Material Weakness

*2015-001 **Finding** - The Township is not accurately maintaining a capital asset ledger for the General Fixed Asset Account Group

Criteria - The proper maintenance of a General Fixed Assets Account Group is required by Technical Accounting directive 85-2 and New Jersey Administrative Code 5:30-5.6.

Recommendation - The General Fixed Assets Account Group be maintained in conformity with Technical Accounting Directive 85-2, and a periodic physical inventory be taken in accordance with New Jersey Administrative Code 5:30-5.6.

Other Matters

* 2015-002

Finding – As of December 31, there were deferred charges in the General Capital Fund over five years old, where the projects have been completed and payments made from cash not provided by permanent or temporary financing.

Criteria - State statutes require that cash be provided for payments made from particular ordinances with unfinanced costs within ten years of adoption.

Recommendation - That cash be provided for the deficit balances in the General Capital Fund.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2015:

NAME	TITLE	AMOUNT OF BOND
Eric Hinds	Mayor	
Gregory Buontempo	Deputy Mayor	
Patrick Impreveduto	Councilman	
Tom Critelli	Councilman	
Joseph Ponisi	Councilman	
Donna Vieiro	Township Administrator	1,000,000*
Jeanette Larrison	Chief Financial Officer/ Tax Collector	1,000,000*
Maureen Doloughy	Township Clerk	1,000,000*
Mary H. Casey, Esq.	Municipal Court Judge	1,000,000*
Mary Lou Donnelly	Municipal Court Administrator	1,000,000*
Robert F. Muñoz	Municipal Attorney	

* All employees are covered by a Blanket Bond of \$1,000,000 of which \$950,000 is provided as part of the Monmouth County Joint Insurance Fund and \$50,000 through the Municipal Excess Liability Joint Insurance Fund.

All of the bonds were examined and were properly executed.

Acknowledgment

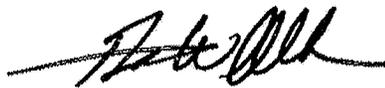
We received the complete cooperation of all the Township Officials and employees and we greatly appreciate the courtesies extended to the members of the audit team.

There were no problems and weaknesses noted in our review that would affect our ability to express an opinion on the financial statements taken as a whole.

Should you have any questions concerning our comments or recommendations, please call me.

Respectfully submitted,

HOLMAN FRENIA ALLISON, PC

A handwritten signature in black ink, appearing to read 'R. Allison', written over a horizontal line.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
June 7, 2015